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Daily Report

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Daily Report
Latin America

FBIS-LAT-94-195 *7 October 1994*

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NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication have been changed. All new indicators begin with "FBIS" to make the material more easily identifiable. Some also indicate whether the item has been translated from the vernacular or transcribed from English.

An Ω indicates a Foreign Media Note.

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Cuba

Migration Accord With U.S. To Be Reviewed in Havana

PA0610191294 Havana PRENSA LATINA in Spanish 1826 GMT 6 Oct 94

[FBIS Translated Text] Havana, 6 Oct (PL)—Cuba and the United States will review here at the end of October the migration agreement signed during bilateral talks held at the beginning of September in New York.

In a news conference, Cuban Foreign Ministry spokesman Miguel Alfonso did not specify the exact date, although he indicated the meeting "might begin on 24 October," the deadline set in the initial contacts for the continuation of the talks.

Spokesman on Resumption of Talks

PA0710013194 Havana PRENSA LATINA in Spanish 2348 GMT 6 Oct 94

[FBIS Translated Text] Havana, 6 Oct (PL)—Cuba and the United States will resume talks on migratory issues on 24 October in this capital, PRENSA LATINA learned today.

The talks will focus on verification of compliance with the migratory agreement signed in New York on 9 September which ended a crisis created by the policy of encouraging illegal emigration as practiced by various U.S. Administrations for more than 30 years.

Miguel Alfonso, spokesman for the Cuban Foreign Ministry, announced today the resumption of contacts on that date, adding their continuation is very important for normalizing bilateral migratory procedures.

Alfonso said in statements to the national and foreign media that the United States has recognized that the Cuban party has complied with its commitments.

He added that the U.S. party is willing to fulfill its responsibilities although it has not proceeded to implement the operative, conceptual, practical expansion of the agreements so far.

The New York agreement established a minimum of 20,000 yearly visas for Cubans interested in emigrating to the United States, among other salient aspects of the document signed by the island's chief negotiator, Ricardo Alarcon, and Michael Skol, under secretary of state.

The spokesman for the Cuban Foreign Ministry did not give details on the composition of the Havana and Washington delegations to the next meeting in this capital 45 days after that document was signed.

Spokesman on Talks, Telecommunications Accord

PA0710034994 Havana Radio Havana Cuba in Spanish 0000 GMT 7 Oct 94

[Report by Barbara Betancourt; from the "Evening Information Review" newscast—passages within quotation marks recorded]

[FBIS Translated Text] The Cuban Foreign Ministry spokesman, Miguel Alfonso, held another weekly news conference with the national and international media in Havana and said the meeting to evaluate compliance with the migration agreement signed by the governments of the United States and Cuba in September will be held in Havana:

[Alfonso] "The meeting will be held in Havana in late October. The exact date has not yet been determined, but it will be in late October. We had approximately 45 days to review the fulfillment of the New York agreement."

[Unidentified reporter] [Words indistinct]

[Alfonso] "It is possible that it will be held on the 24th, but I would rather wait to be sure. There are indications the meeting will be held on the 24th."

[Reporter] [Words indistinct]

[Alfonso] "I imagine the continuation of these talks is very important for both sides. I do not know who the members of the U.S. delegation will be. I am not certain who the members of the Cuban delegation will be, but I believe both sides understand the importance of continuing with the same delegations and with the individuals who participated in these negotiations."

Alfonso also talked about the U.S. State Department's decision not to obstruct the resumption of direct telephone service between the United States and Cuba:

[Alfonso] "It all seems to indicate that all the obstacles that may have existed, such as authorizations and so on, have disappeared. It also seems to indicate we will have the restoration of a certain normalcy in telephone communications, not only by one company but by several U.S. telephone companies."

Other sources have stated Havana has signed agreements with five U.S. companies to restore bilateral telephone service. The sources have stated the companies are [word indistinct], MCI, IDB Worldwide Communication Service, LDDS Communications, and Wiltel International.

U.S. media have reported AT&T has also expressed an interest in participating in this market. The suspension of direct telephone service is one of the sanctions included in the economic blockade imposed by Washington against the island since 1962.

Another topic discussed by Alfonso was the schedule of activities conducted by Cuban Foreign Minister Roberto Robaina at the UN General Assembly meetings. Robaina has held meetings in New York with more than 40 foreign ministers as well as with political and religious leaders, scholars, and editors of important U.S. newspaper media. Robaina has also invited several of his colleagues to visit Cuba in the future:

[Alfonso] "I can tell you the foreign ministers of Colombia and Uruguay will visit Cuba next month. We

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are going to have them here in November. Another piece of information I believe will be of interest to you is the visit to Cuba by the UN high commissioner for human rights. The date is just about to be determined. An announcement of his visit had already been made, but he later postponed it. I believe this visit will take place in November as well."

He also said Cuba has submitted to the United Nations a new draft resolution on the need to eliminate the U.S. economic, financial, and trade blockade against Cuba:

[Alfonso] "There is a series of ideas that has been discussed this year. They are not substantially different from the ones that were discussed last year and in 1992. We hope the international community will increasingly understand the illegitimate and unethical nature of that blockade."

U.S. Companies Authorized To Establish Telephone Service

FL0610124994 Havana Radio Progreso Network in Spanish 1100 GMT 6 Oct 94

[From the "First Thing" program]

[FBIS Translated Text] AFP has reported that the U.S. State Department has authorized five U.S. telecommunications companies to finalize contracts with Cuba and thus establish telephone communications between the two nations.

Havana Signs Telecommunications Accord

PA0710031794 Havana PRENSA LATINA in Spanish 1654 GMT 6 Oct 94

[FBIS Translated Text] Havana, 6 Oct (PL)—Today, Cuba confirmed reports by the U.S. State Department regarding the reestablishment of telecommunications services between the two countries.

Official sources approached by PRENSA LATINA stated Havana has signed agreements with five U.S. corporations reestablishing bilateral telecommunications facilities. Sprint, MCI, IDB Worldwide Communication Service, LDDS Communications, and Wiltel International have been authorized to do so, according to the sources.

The U.S. FCC, they said, issued a 10-page resolution on 5 October in which they formally granted these firms permits to expand their ties with Cuba.

U.S. news sources have stated AT&T has expressed its interest in entering the Cuban market.

According to international news agencies, the authorized companies will use Intelsat satellite services. Wiltel has also requested permission to install and operate an underwater optic fiber cable.

It was also learned that discussions on this issue have been ongoing since 1992 and that Cuba will take 50 percent of the income from each minute.

The White House has enforced a financial and commercial blockade on Cuba since 1962, which has meant losses worth $40 billion to the Caribbean nation.

Robaina Speaks at Nonaligned Movement Meeting

FL0610171294 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 6 Oct 94

[Report by Froilan Arencibia, from New York; from the "NTV" newscast]

[FBIS Translated Text] In a meeting ancillary to the UN General Assembly, foreign ministers of the Nonaligned Movement [NAM] met on 5 October. The meeting's final document exhorts the U.S. Government to lift the blockade on Cuba and advocates the immediate implementation of the blockade resolutions approved by the United Nations. The foreign ministers also agreed that the differences between the United States and Cuba should be resolved peacefully through mediation, as shown by September's migration agreement.

In his address, Foreign Minister Roberto Robaina said that with the end of the East-West conflict, the role of the NAM did not disappear, but has become even more important.

[Begin Robaina recording] The NAM is the most powerful and politically active association of underdeveloped nations of the South currently confronting those endeavoring harder than ever to intensify their domination. [end recording]

Robaina said that another one of the NAM's challenges is to oppose efforts to use the United Nations as an instrument of intervention in the domestic affairs of the Third World.

[Begin Robaina recording] Peacekeeping operations cannot continue to meddle in areas in which they have no authority and should, once and for all, be governed by principles and clear and precise rules of operations guaranteeing complete respect for the sovereignty, independence, and territorial integrity of the nations where the UN forces are deployed. [end recording]

On 5 October, Robaina also met with the editorial staff of THE WALL STREET JOURNAL and discussed the economic changes taking place in Cuba.

Throughout his trip bilateral meetings have continued. This time Robaina met with top officials from Ghana, Malaysia, and Libya. The Cuban delegation also met with individuals from the arts and culture sector of the Cuban American community.

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Cited on Role of NAM

PA0710024494 Havana PRENSA LATINA in Spanish 1859 GMT 5 Oct 94

[FBIS Translated Text] United Nations, 5 Oct (PL)—Cuban Foreign Minister Roberto Robaina underscored at the United Nations today Indonesia's role at the helm of the Nonaligned Movement (NAM) since the Jakarta Summit, a role which he described as a new awakening for the movement.

Speaking before the NAM ministerial meeting during the 49th session of the UN General Assembly, Robaina said this awakening occurs at a time when, which for being qualitatively different, new challenges create and require novel responses that are more coordinated and vigorous.

Robaina said solidarity among member countries is essential, and he praised NAM's commitment to support Cuba at the summit, at the ministerial meeting in Cairo, and at this meeting in New York today.

After saying Cuba is still resisting more than 30 years of aggressive U.S. policy, he recalled that the UN General Assembly condemned that policy in two consecutive sessions, and that it is likely it will do the same this year.

"This is why we need, more than ever, the solidarity of those who have always supported our struggle, and this is why we urge all movement members to support the draft resolution on this issue that Cuba will present at the General Assembly," Robaina said.

He said the major problems the movement must face at present are perhaps more formidable than past ones.

"A worsening of the situation surrounding underdevelopment and the increasingly unjust and unequal nature of international economic relations are added to the resurgence of local and regional conflicts with more diverse characteristics," Robaina added.

On top of this, he said, there is "the preeminence of a small group of mighty powers that is trying, from abroad, to impose on our countries concepts and policies which are not only foreign to us but which inevitably undermine our sovereignty and development."

After saying the transformation of the East-West equation into the North-South equation ended, Robaina said the Nonaligned Movement is the strongest and most politically active group of the underdeveloped South, which is facing the attitude of those who are trying to increasingly subdue it in order to exert a tighter control over it, and this gives the movement a special role in this struggle.

Robaina rejected attempts to use the United Nations as a new mechanism to intervene and meddle in the internal affairs of Third World countries, and he called for its transformation into a forum based on justice and democracy.

Concerning the Security Council, he said it must be democratized not only by expanding its membership to guarantee an equitable regional distribution for the Third World, but its methods of operation must be changed to make them more honest and accessible to all UN member states, because the United Nations has a duty toward them.

He called for a revitalization of the General Assembly to ensure that it assumes the role that was actually assigned to it by the UN Charter, including the supervision of the Council's activities.

Robaina said peacekeeping operations cannot continue carrying out duties it should not in practice, and they should be governed by law by clear and specific principles and rules to guarantee full respect for the sovereignty, independence, and territorial integrity of nations where such operations occur.

He added "the necessary cooperation in the area of human rights through the United Nations cannot continue to be used as a means to apply political pressure on countries of the South nor continue operating [sentence as received]

Returning Refugees Decry U.S. 'Lie'

FL0610142494

[FBIS Editorial Report] Havana Tele Rebelde and Cuba Vision Networks in Spanish at 0000 GMT on 4 October closes its NTV newscast with two items about the opinions, and return home of Cubans who escaped the Guantanamo Naval Base refugee camps.

The first item opens with the NVT anchorman stating: "You probably ask yourself: How do the people who tried to emigrate and were held in Guantanamo feel now?"

The item begins with footage of Cuban Border Guard soldiers rescuing refuges from a mine field, as an off-camera reporter states: "This dangerous situation is frequent in the border of the largest mine field in this hemisphere. The treatment given to Cuban immigrants held in the Yankee base in Guantanamo provokes the escape of those who initially believed in them. Border Guard scouts rescue them at the risk of their own lives."

A young male refugee—barely out of the mine field—states: "When one is sick, no one cares. They poke fun at you right in front of your eyes. It was not what I expected. There are many Cubans who have been mistreated by them for wanting to return to Cuba. They have been handcuffed, thrown in the dirt, their faces rubbed in the dirt; even small children have been beaten. There are pregnant women there too."

Next, in the shade of a large tree, a female reporter asks a group of approximately 18 young men: "What compelled you to cross a mine field to return to Cuba,

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knowing you were once again taking your lives in your hands? Why didn't you wait for a diplomatic solution as agreed?"

The refugees, most of them the same individuals seen in the referent NTV documentary "Return," answer:

First speaker: "Well, let me tell about you my case. When I got there, what truly moved me to return to my country was that I went there with one idea in mind, and once I saw it was all a lie, and saw that the truth was that I was confused and had left my country... [changes thought] the truth, everything I saw in my country was always the truth."

Second speaker: "First of all, I would say that we were like the pawns in this sick, dirty game which the U.S. Government has once again played. We were puppets manipulated for propaganda, to show that the Cuban people do not support the Cuban Government. I believe it backfired on them. This is an irrefutable victory of truth, of good over evil."

Third speaker: "I believe that I choose to risk my life once again due to desperation because I saw there was no other way, that it was a lie. Since I arrived, it seemed to me that this was the way out even if the cost was my life. I did not care. I preferred death to remaining there."

Second speaker: "They are constantly holding conferences, summits—worldwide propaganda—on human rights. Yet, I do not believe those people have the slightest idea about the meaning of human rights. Really! If what I saw on the base is human rights, I believe they ought to remove that word from the dictionary, at least the American English dictionary. I believe they do not know, even remotely, the meaning of human rights. They have many summits and conferences but the truth is that the cobbler's wife is always the worst shod [en casa del herrero, cuchillo de palo]."

First speaker: "This is why I risked my life to return to my country. I told myself, either return to Cuba or die. Thank God and luck I made it here to show our commander in chief that once we arrive in our towns we will truly show that we regret what we did. Here, not only in words, but with our actions—there is a saying: Actions speak louder than words—we will demonstrate to our commander in chief that we truly repented by returning to our jobs, joining the Committees for the Defense of the Revolution, and helping with whatever we can."

Third speaker: "A U.S. soldier told me Fidel was going to put me in jail for five or eight years. I told him I preferred to spend five years in jail in Cuba than to stay at the base or to go to a third country. Now I am headed home. This shows how everything they said was a lie. This shows the people, if they hear what I say, that everything they say is a lie, it is always false. Since I have returned to Cuba, I could not have been treated better. I have been provided everything. Despite what I did—betrayed my country—we get this welcome, we are returned to our families, and people."

The refugees are then seen applauding those who helped them and departing in a bus as the reporter states they are on their way home.

The second item begins with multiple shots of refugees—some of them are the outspoken young men seen before—greeting and hugging family members. The reporter states that Interior Ministry officials accompanied the refugees home, and adds: "According to Cuban authorities, these individuals will rejoin society with all their rights and duties, and free of any prosecution."

The report focuses mainly on the second speaker's return home, and his welcome by relatives and neighbors. He states that Americans tried to prevent them from leaving and: "They even told me the Cuban government was going to inject me with Strychnine, to keep me from jumping over, that they were going to kill me." He adds that he never believed the Americans because he hoped that the "Revolution would be understanding, would accept us, and is aware that this was a plot in which we were pawns moved by the United States, which is the main advocate of the illegal mass exodus."

Another refugee at his home states that he went to see the military chaplain "50 billion times" who told him "to go ahead and jump the fence" if he wanted to return to Cuba. He adds that Cuban Border troops rescued him from the mine field and treated him well.

Several shots again show the young men greeting and hugging relatives and neighbors. The mother of the second speaker expresses her thanks for the help her son received. An elderly man states, as he lightly pats the young man's shoulders, that he revealed the truth about how people are treated by Americans and by the Cuban people and goes on to admonish the young man that he now has "an opportunity to settle down with his girlfriend and organize his life differently."

Two neighbors state their willingness to help the young man rejoin society and the labor force. They add that they were surprised by his departure but not his return "because once one encounters reality, one rethinks things."

Another of the young men reports spending three days and nights handcuffed in the open air for expressing his wish to return to Cuba.

The reporter then interviews the second speaker who states that there were strikes on the base because the children did not have milk for three days, and women did not have the means to wash during menstruation, that there was no cold water or clean bathrooms. He adds that water, whenever available, was warm and undrinkable. He explains that the fences made it "perfectly clear that it is a mass concentration camp." He says that promises that families would be kept together "was

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another lie," and Marines "will beat you up if you get caught trying to move to another camp."

The report concludes with three of the young men stating their plans to look for jobs and "start anew."

Article Views Resignation of Secretary Mike Espy

PA0710004994 Havana PRENSA LATINA in Spanish 1500 GMT 4 Oct 94

[By Dihur G. Tchanlesso: "U.S. Ship of State Leaking Water But Continues on Course"]

[FBIS Translated Text] The White House has been inhabited by indispositions for some time now, at least ever since Bill Clinton has been residing in it. He also presides over a cabinet that has suffered three resignations and is now facing reorganization due to the resignation of Agriculture Secretary Mike Espy for corruption charges.

Weathering a sea of troubles, crises, and setbacks, the Democratic President, who has been in office only 20 months, has displayed an excellent art of sailing his ship.

Homosexuals in the Army, the White Water case, the dubious investments of a real estate agency in Arkansas, alleged sexual harassment by Paula Jones, and the suicide of Clinton's chief adviser, Vincent Foster, still keep Clinton awake.

Somalia, that damned George Bush legacy, as well as Bosnia and Haiti are other nightmares beleaguering the President.

Just when everything seemed to turn in the favor of Clinton, whose popularity improved slightly after the bloodless invasion of Haiti, came the fall of Espy, who is accused of receiving gifts from groups and individuals involved in the agricultural sector.

As expected, the accused has proclaimed his innocence, denying the accusations of corruption brought against him. He has denied charges he has received airplane tickets, money to attend sporting events, and other gifts.

It seems such procedures conflict with the ethical behavior which high federal government officials should observe.

With yesterday's resignation, Espy gave in to the pressure exerted on him, particularly the flood of media reports attacking him.

He has tried to justify "his innocence" and resigned from office to avoid further embarrassment to the President, and he cited what he called the need to surmount the attack he felt was aimed against his prestige by these criticisms. Espy has said all the accusations made against him "are false and unfounded".

According to Oval Office sources, the Justice Department has begun a criminal investigation to determine the extent of the accusations and, if necessary, to charge the accused.

Specialists say Mike Espy, who has been efficient at his task since taking over the Agriculture Department, will be hard to replace. He has increased agricultural production in less than two years in his post.

Espy will permanently abandon the Department in December and will be temporarily replaced by Deputy Secretary Richard Rominger, one of the many possible replacements. Specialists say various names are being shuffled about, and the change is expected soon.

Faced with the preparation of his reelection campaign, which must begin next year, Clinton has taken badly the news of this new crack in the ship in which he is sailing through tempests. The ship is leaking but not losing its course. It needs to get to a safe port.

He had to fire Defense Secretary Les Aspin in January due to mistakes made in handling the Somalia issue, above all after the deadly ambush by General Mohamed Farah Aidid's gang members in Mogadishu in 1993. The United States lost 70 soldiers in a pitched battle in which its elite Special Forces, the Marines and Rangers, were inflicted 20 casualties by badly armed and badly fed Somalis. Aspin was pointed out as responsible for the military fiasco.

The President, whose national image was slowly deteriorating and whose popularity continued to wane, was forced to reorganize his cabinet in the beginning of summer, placing Leon Panetta at its head.

This technocrat, described as a hardliner, was director of the budget office located next door to the Presidency. Panetta set specific goals for himself when promoted: to introduce "gravity and efficiency."

Thomas McClarity was removed as White House head of personnel in the shakeup. The President made other changes that affected those closest to him, including the architects of his electoral victory, such as his former spokesman, George Stephanopoulos.

Clinton made minor changes in his inner group of advisers last week and barely saved Press Secretary Dee Dee Myers, one of the planners of his conversion campaign, who has been promoted to special adviser at a higher salary.

One of Clinton's weak spots according to analysts is his procrastination when he should act swiftly to stem a wrongdoing or to rectify erroneous policies. Clinton tends to embrace too much and take on extremely ambitious short-term projects. An example of this tendency is the criticisms directed at Henry Cisneros, housing and urban development secretary, who is linked to a case involving a female, something which is quite fashionable in the United States as a means for slandering political opponents. The President tends to ignore these criticisms and wait for the worse to happen.

There are more dark clouds on the horizon for this young President, who is already faced with the struggle for a

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second presidential term and with deciding which opening volleys should be fired in January 1995.

It is predicted that he will face an arduous struggle that will jell as soon as the Republicans determine their presidential candidate, among whom are well-know personalities such as former Vice President Dan Quayle, George Bush's right hand.

General Colin Powell, with his credentials as the victor of the Gulf War, could be Clinton's greatest challenge, although it is too soon to make any prediction.

International Groups Sponsor Solar Project

FL0510205394 Havana Radio Rebelde Network in Spanish 1700 GMT 5 Sep 94

[From the "NTV" newscast]

[FBIS Translated Text] Cuba's first solar power plant will be built in the hill region of Madrugon, in Guama Municipality of Santiago de Cuba Province. The plant will produce 25 Kilowatts of power, enough to supply solar energy to 60 houses, 15 socioeconomic objectives, and several schools. Margarita Pecora reports from Santiago de Cuba.

[Begin Pecora recording] The project, which will be developed in 1995, will cost approximately $360,000. Cuba will receive funding for this project through the international program, Sun for Cuba, sponsored by the Cuban Academy of Sciences, the National Energy Commission, the (Cepe), the Cuban Solar Energy Research Center in Santiago de Cuba, and international nongovernmental organizations from Switzerland, Austria, Germany, and Spain, which finance solar energy research and applications in Cuba.

Likewise, the results of the Sun for Cuba program, comprising more than 100 solar power plants nationwide, is among the Solar Energy Research Center's most relevant work presented before the Ninth Forum, during which the results of other issues were also discussed, including financing, totaling $22,573 in the Sun for Cuba program, which has been invested in the installation of equipment in 71 houses, 17 clinics, one cattle farm, two social circles, two schools, and a radio telegraph in the hill area.

Solar energy specialists in Santiago de Cuba will immediately begin installation of the electric system in seven more clinics in Guama Municipality, to be completed by the beginning of November; and to additionally extend the benefit to 111 houses and nine social objectives in the rural community of La Magdalena with a donation sent by India totaling $80,000. [end recording]

IMF Director Confirms Rapprochement With Government

PA0610231594 Madrid EFE in Spanish 1517 GMT 6 Oct 94

[FBIS Translated Text] Madrid, 6 Oct (EFE)—IMF Managing Director Michel Camdessus confirmed to EFE today that a rapprochement is taking place between the IMF and Cuba under Spanish patronage.

Following the closing ceremony of the 49th Annual Assembly of the IMF and the World Bank (BM), Camdessus offered a lunch for media representatives during which EFE asked questions about the rapprochement which was disclosed yesterday by two high-ranking officials, a Spanish official and an IMF official.

Camdessus acknowledged the existence of preparations for Cuba's readmittance into the IMF, of which Cuba was a founding member. Cuba left the IMF following the Castroite revolution, because it believed the institution was "the temple of capitalism."

Cuba's withdrawal from the IMF stemmed from ideological reasons, not because Cuba had debts with the IMF. This, according to a high-ranking IMF official, would facilitate its readmittance.

Camdessus stressed the role being played by former Spanish Economy Minister Carlos Solchaga in Cuba's rapprochement with the IMF.

Carlos Solchaga has made several trips to Cuba since leaving the Economy Ministry at the request of Spanish President Felipe Gonzalez in order to advise the Castro government on the structural reforms the Cuban economy must tackle to approach a free market system.

Cuba's readmittance into the IMF and "similar institutions" such as the BM could facilitate Cuba's access to the funds these institutions assign for development.

Camdessus refused to comment, however, on the possibility of Cuba being represented in the next IMF annual meeting, scheduled to be held in Washington during the fall of 1995.

Concerning Russia, which joined the IMF in 1992, negotiations for its admittance lasted four years since 1988, when the first steps were taken.

If the formal petition to readmit Cuba into the IMF is made, Spain's patronage will be essential in drawing the two parties closer. This would be the preliminary step to sending delegations to the country to assess its economic situation.

These reports must be studied by the IMF Membership Committee, which consists of six or seven countries and submits its recommendations to the Board of Executive Directors. The board assigns a quota to the new member based on its economic status.

The Board of Executive Directors, which consists of 24 member countries, reviews the reports made by the Membership Committee and negotiates the quota to be paid by the candidate. This quota determines access to IMF financing and voting status before it is submitted for the approval of a majority of member states.

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The most recent country to join the IMF was Eritrea, following China, Vietnam, and Russia.

Australian Company To Participate in Nickel Project

PA0610123194 Havana PRENSA LATINA in Spanish 0001 GMT 4 Oct 94

[By Elsy Fors]

[FBIS Translated Text] Havana, 3 Oct (PL)—Cuba's Commercial Caribbean Nickel Inc. and Australia's Western Mining Corp. have signed a letter of intent to conduct a comprehensive nickel project, official Cuban sources confirmed today.

Sources within the Ministry of Foreign Investment and Economic Cooperation told PRENSA LATINA that, because of the magnitude of the operation whose estimated value exceeds $500 million, the project will require lengthy negotiations that will begin in October.

Among the particulars of this initiative is the inclusion of an aspect absent from previous Cuban nickel development operations—that is, the prospecting, exploration, and exploitation of the field in Pinares de Mayari Oeste (200 km from Moa in northeastern Cuba) and the processing and refining of this mineral.

Should the investment materialize, the country would get its first nickel refining plant. To date, production has been limited to the sinter of this product and cobalt. The joint venture between the Australian and Cuban companies also will be in charge of the marketing of the end product.

Leaders of the Australian company said that, according to the terms specified in the letter of intent signed in September, Western Mining Corp. will hold a 65 percent share and the Cuban company will hold a 35 percent share in the joint venture.

Western Mining has been involved in gold mining for the past 60 years in Australia and, more recently, involved in the mining of cobalt and aluminum and the extraction of petroleum. It is the largest mineral processing company in that country and the world's third-largest nickel producer outside of Russia. It also owns 40 percent of the stock in ALCOA, a U.S. aluminum consortium.

If the project to exploit the field, whose potential near-the-surface yield is estimated at 200 million tons, is commercially feasible, the Australian company will secure financial backing for the joint venture.

Cuba's nickel and cobalt industries have managed to reestablish and increase its markets in 26 countries. They receive financing from companies and banking institutions in Canada, the Neatherlands, Great Britain, and Italy. One of them, the Sherritt Co. of Canada, has invested in Cuba by financing and supplying working capital in the marketing of nickel.

Sherritt and its Cuban counterpart are currently negotiating and drafting documents to formalize an agreement under which Sherritt will give its Cuban counterpart 50 percent of the stock of its nickel refinery in Saskatchewan, Canada, in exchange for 50 percent of the assets of the Pedro Sotto Alba Plant in Moa.

In the agreements Cuba has signed with foreign companies, the Cuban state maintains its rights over the serpentine and all other extracted minerals not covered in the contract.

Geological studies indicate that Cuba holds 37 percent of world's nickel reserves.

Dissident Roca Fears Regime Will Go 'Romanian Way'

BR0610143894 Madrid ABC in Spanish 5 Oct 94 p 38

[Report on interview with dissident Vladimir Roca, by Alberto Sotillo, in Havana; date not given: "Thuggish Interrogations Are the Only Form of Dialogue Undertaken With Internal Dissidents"]

[FBIS Translated Text] Havana—Outside his own country Cuban Foreign Minister Roberto Robaina may claim that he has initiated a dialogue with the opposition. However, inside Cuba, even the most moderate dissidents have not experienced any form of dialogue with the authorities other than the regular violent interrogations and "interviews" to which they are subjected by the security forces: "It is foolish of the government," according to the conciliatory opposition, not to seize this opportunity.

Vladimiro Roca is the son of Blas Roca, one of the founders of communism on the island and a former chairman of the National Assembly of People's Power—one of the many personalities who have been mythicized by the system after their death. Having become disappointed with the regime's irrationality, and convinced that the latter could not be changed from within, Vladimir, the son of the old hero, joined the opposition, but without entirely giving up Marx—"who thought that the state must be small and economical"—and remaining always ready for dialogue and conciliation. If there is a moderate opposition on the island, surely it is his form of opposition.

However, Vladimiro Roca has received no evidence of the wish for dialogue other than the regular—and very un-dialogue-like—summons from the security forces. He wishes dialogue were possible, but he is afraid that it is all just another "mirage" created by the authorities to give rise to hopes, to sell "little plots of future" with the sole intention of "prolonging Castro's political life for a few more weeks or perhaps years."

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As expectations and the old masks of the regime have crumbled one by one, the latter has made every effort to restore faith: "The important thing is to keep one's faith, even though it may seem difficult," a taxi driver informed us as soon as we arrived in the airport, thus initiating us into the new slogans.

Vladimiro Roca is afraid that the Cuban authorities may have slammed the door in the face of Menoyo, Cernuda, and Duran—the representatives of the moderate section of the exiles, who hoped to have a meeting with Cuban Foreign Minister Roberto Robaina, also known by some of his compatriots as the "salsa dancer" or "jolly joker" because of his efforts to give the regime a likeable face. If it is true that the authorities have refused to establish a dialogue, Roca believes they are making a very serious mistake: "If they want the embargo lifted, this is the right moment." There is a "favorable climate," even in the United States, but the regime must do something more than promenade a sprightly "salsa minister."

For Vladimiro Roca, despite everything, the need for dialogue remains as important as ever in the face of disappointing reality. If reconciliation cannot be achieved, he is afraid that the regime will fall "the Romanian way," through a popular uprising which would have much more violent consequences than in the Carpathians' region. "There is a lot of accumulated hate and violence," he said, "a lot of old scores that people want to settle..."

Therefore the moderate opposition is committed to a dialogue process, even though it is convinced that it may be speaking to a wall: "If Castro does not want a dialogue, he must be the one to say so, not me." Roca puts his faith in prudence, even though this approach clashes with the unreasonableness of someone who refuses to come down from the clouds.

Freeing all political prisoners, according to Roca, would provide the necessary confirmation that the government intends to start a genuine dialogue process. However, this possibility is still merely a rumor, according to which the happy event may hopefully take place by the end of the year. The government is creating one mirage after another in order to keep up faith in a dead religion, and those who aim for reconciliation have no choice but to hope the miracle will happen—thus preventing their own pessimistic predictions from coming true.

In the meantime, the regime is emptying, losing first its illusions and then its inhabitants: "If any country in the world," Roca said, "were to announce that it will admit anyone who applies, Cuba would be left without inhabitants. I have heard of boatmen who would rather go to Haiti, because there they would at least be able to build their own boat." The situation is as extreme as this, in the opinion of the moderate opposition, who is even afraid that, in the worst possible scenario, that is, in the event of a violent confrontation necessitating UN intervention led by the United States, the Cuban nation would quite simply disappear: "The country is so immersed in ideological propaganda that young people no longer know what it means to be Cuban."

Vladimiro Roca has suffered the bitter fate of seeing his father's name used to christen a "brigade" of fanatics and thugs entrusted with protecting the "revolution," while he experiences the descent into hell of someone who has preferred to side with those who suffer from history rather than those who dream of guiding it according to their whims.

'Terrorist' Attack in 1976 Act of 'Imperialist Aggression'

FL0710021994 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 6 Oct 94

[From the "NTV" newscast]

[FBIS Translated Text] Today, 18 years after the crime in Barbados in which 57 Cubans, 11 Guyanese, and five Koreans lost their lives, relatives, friends, and the people unite to condemn imperialist aggression against Cuba:

[Begin recording] [Margarita Morales, daughter of one of the victims of the 1976 bombing of a Cuban airplane in Barbados] We condemn terrorist acts against the Cuban people, which have left us mourning on several occasions and continuing to do so today. We unite today, as we did 18 years ago, to honor our loved ones and to protest that horrible crime. We demand that the terrorists be punished and renew our support for Fidel and the Revolution.

[Unidentified correspondent] Rafael, Camilo, and Jose lost their loved ones 18 years ago, on 6 October, a date that marked another chapter of imperialist aggression against Cuba.

[Morales] The imperialist attitude toward Cuba has not changed. It hinders our progress by strengthening the economic and political blockade against our country every day. Why do they do that? It hurts them because we are still an honorable, independent, and revolutionary people, even amidst the difficult conditions that we face. We are confident in Fidel and in victory. No unjust act will go unpunished because they will be condemned by honorable people. [end recording]

'Dolled Up' Baragua Ferry Resumes Service in Havana Bay

FL0710132094 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 6 Oct 94

[From the "NTV" newscast]

[FBIS Translated Text] After extensive repairs the Baragua ferry will resume service in Havana Bay on 6 October. During the first six months of 1994, the Havana Ferries Enterprise carried an average of 19,000 passengers each day. Maintaining this service requires special efforts and considerable investments. The enterprise operates six vessels and each one will receive

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similar maintenance. For example, La Coubre will resume service on 10 October with equipment [words indistinct] resulting in technological updating.

In the case of the Baragua ferry, the repairs were more extensive, but the results were satisfactory.

[Begin unidentified speaker recording] See how the ferry is all dolled up. Before it looked like an old junk heap because when the enemies of the Revolution hijacked it, they messed it all up, they broke all the glass, all the life-jacket storage chests, burned the life-jackets, the batteries got damaged, the starting motor, the fuel pump—they just about finished off our ferry.

Now the ferry is in shape to go back into service thanks to the workers who worked very hard to overcome the difficulties, but now it is ready. [end recording] [Video shows fully renovated, painted ferry]

Minister Signs Resolution on Transporting Goods to Market

FL0710022594 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 7 Oct 94

[From the "NTV" newscast]

[FBIS Translated Text] The transportation minister this afternoon signed Resolution 178 of 1994, which regulates the renting of cargo vehicles to transport merchandise to be sold at the farmers markets. The document states that the salesmen can use any type of vehicle to transport their cargo, be it their own, rented, a privately owned vehicle, or a vehicle contracted by state transportation enterprises or any other enterprise. State enterprises and others enterprises that carry out [words indistinct] with transportation may (?rent) those means as long as it does not affect their main activity. Those in the private sector dedicated to transporting cargo on motorized vehicles who have an operating license may also contract their services to transport agricultural products and livestock. The resolution points out that the provincial transportation directorates of the people's government are authorized to regulate and control the work of the assigned equipment within their provinces. The charges for the transportation of the merchandise that will be sold at the farmers markets will be established between the provider and user of the service. The Transportation Ministry resolution goes into effect today.

'Straight Talk' on Future of Farmers Markets

FL0610190694 Havana Radio Rebelde Network in Spanish 1600 GMT 4 Oct 94

["Straight Talk" program with Luis Sexto, from BOHEMIA magazine; Eloy Concepcion and Renato Recio, from TRABAJADORES; and host Carlos Santana]

[FBIS Translated Text] [Santana] Will farmers markets be as well supplied as they were over the past weekend in the coming days and weeks?

[Concepcion] First, we need to put our feet on solid ground. There were two fundamental reasons to create the farmers markets. One was to boost production, which requires more work by the people. This is the main problem in Cuba and for well-known reasons, productivity is low. However, I believe the supply will be maintained and even increase in the coming months.

The markets were created at a time when there is no major production, when the winter campaign has begun. Currently everyone is busy planting and preparing the soil for the so-called miscellaneous crops—tubers and vegetables. Additionally, everyone knows that pork and chicken production has decreased due to the lack of feed. However, according to what we observed on Saturday and Sunday, I believe that even with abundance in some periods it is not normal for markets to have everything every day, usually there are more products and sales people during the weekends. We need to understand this, otherwise we will be creating false expectations and illusions. It is important to reinforce supplies on the weekend to also protect the workers, who have the opportunity to visit the markets at that time. If most products are taken during the week, then those of us working will not have opportunities to buy these products.

Probably many products are going to be found all week long, which is right, particularly now that the harvest of yams and other products is taking place. And other staples which we believed had disappeared are showing up in the markets.

[Recio] I believe that in a short period of time markets are going to nearly satisfy demand. However, there is also the possibility that next week the supply will not be enough. Such things occur in markets, particularly in agricultural markets, which depend on weather conditions, harvest yields, etc. We cannot expect to have a linear progression toward the improvement of supply. There could be ups and downs. As Concepcion was just saying, more products will appear following the winter harvest.

Most likely there will be a constant tendency to improve supply, and I base this assumption on the fact that individual farmers did not participate in great numbers during these first days. Some are alarmed, but I do not have any concern, farmers have always had a cautious attitude before any kind of movement in the economy or technology. Farmers follow the rule of St. Thomas: Seeing is believing. They were waiting to see results—amounts of sales, profits, etc. That is the general attitude.

[Sexto] I somewhat agree with Concepcion and Recio. The government had intended to warn from the beginning not to expect nature to suddenly produce abundance, with an unlimited flow of products. This is unthinkable. As Recio was just stating, no natural or human process in the world is linear. There is always a zigzag path, and farmers markets are no exception. The process will go on a zigzag path with a tendency toward improvement.

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[Santana] You just mentioned something worth emphasizing, regarding the participation of small farmers. I do not agree with you. I do not believe farmers are waiting and observing. I receive news, and was also this in the markets on Sunday, that many farmers have not participated due to bureaucratic obstacles which are still present. What do you know about this?

[Recio] I am sure there are obstacles. The markets have just started and need to improve. Fine-tuning will come with more experience. I do not believe it is right for salespeople to have to make a sworn statement indicating the price of the merchandise to be sold, which will determine the taxes to be paid. We are discussing a market of perishable goods, prices oscillate everywhere in the world, and this situation needs to be changed. Farmers could have had transportation or other problems. However, I believe I understand the Cuban farmers' mentality, and they are probably waiting to see the results.

There is enormous potential for producing to meet one's own needs, as in the case of producing for one's own family. This will have its effect on the markets in time.

[Concepcion] Returning to the supply issue, I would like to add that it would be absurd to think that within a month avocados will appear in the markets when the avocado harvest is already over. Regarding farmers, I believe that the initial response on Saturday in Havana should not be considered, because I was in the markets on Sunday, and many farmers were there, perhaps not as many as expected. For instance, there were two farmers in the Virgen del Camino market on Saturday; however, there were nine on Sunday. This happened in many of the markets. We also must remember that many products are not available at this time of the year. Some problems make it difficult for the farmers to participate. I do not agree with Recio on the obstacles. There were no bureaucratic obstacles, at least in Havana. Things went perfectly...

[Recio, interrupting] You see things through rose-colored glasses. There are always problems to be solved. It is necessary to find the problems to be able to solve them.

[Concepcion] However, you cannot just invent problems [words indistinct] everything was facilitated, and some farmers were even permitted to unload before signing the sworn declaration. The bureaucratic obstacles were few if any. Since I did not observe any, I cannot invent something...

[Recio, interrupting] Then how come the farmers did not participate?

[Concepcion] There were several reasons. In the first place, people go to farmers' homes to buy their products, so they do not need to go to Havana or anywhere else to sell. In the second place, farmers are cautious and are waiting. In the third place, there is a transportation problem. However, I believe more farmers will participate in the markets in coming days. They also gamble with prices, and since there is more competition on weekends, they will probably go during the week.

[Recio] Another important thing: In this phase, participation in the markets is subordinate to compliance with the government quota. Many producers have problems complying with their government quota. Therefore, we need to look forward to boost not only the state's production but also the excess production.

[Santana] It is Sexto's turn. He was getting mad because he did not have the chance to speak.

[Sexto] I am condemned to silence when Concepcion is here, because I am educated and do not interrupt others. The main objective of the farmers markets should be to create the need to work for both producers and buyers. Regarding the nonparticipation of farmers, I somewhat agree with Recio. Many farmers have probably not met the government quota. Everyone knows that these contracts need to be fulfilled to satisfy the demand of social programs and grocery stores [placitas]. It is true that farmers have a conservative mentality; as Recio stated, they first see before believing. Yet, many farmers have become speculators. They have forgotten their origins and everything Cuba has done for their class. Concepcion was saying that many do not need to go to the markets to sell, but others may be waiting to see if prices keep rising or if the merchandise runs out to then be able to sell at higher prices. This possibility cannot be ruled out. It is necessary to appeal to the patriotic conscience of the producers, because it is a social problem, and the new measures tend to improve the situation in Cuba. The economy needs to be restored and revived through different mechanisms, which implemented in a proper and rational way will always serve society.

[Santana] We still have some time left. What were you saying?

[Concepcion] Returning to the main topic of our discussion today, we need to contemplate something else. Recio started to introduce the issue, but we got lost. We have many enterprises and organizations that are good about supplying for themselves and that produce a surplus which could be taken to the markets, such as many of the miscellaneous crops that self-sufficient UBPCs produce. This process will strengthen with the markets. One can see many cases. Rice, for instance...

[Sexto, interrupting] And beans.

[Concepcion] Not the beans. There may have been too much humidity due to heavy rains. One can see that there is rice everywhere...

[Santana] Sorry, time is up. We will continue discussing the issue. We need to discuss the future of the farmers markets and the demand of the grocery stores which are still there to serve those who lack the money to go to the markets.

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Havana Municipalities To Experience Water Shortages

FL0610165994 Havana Radio Rebelde Network in Spanish 2300 GMT 5 Oct 94

[FBIS Translated Text] The Havana City aqueduct authority announces to the population that as result of fives leaks in the Cuenca Sur area, water service will be affected on 6 October between 0500 and 1800. Certain areas of Boyeros, Cerro, Plaza de la Revolucion, and 10 de Octubre Municipalities will be affected as a result of this. Water service will be gradually restored once repairs are completed.

'Complete Crisis' Reported in Santa Clara Hotels

FL0610153994 Havana Radio Progreso Network in Spanish 1100 GMT 6 Oct 94

[Report by Elva Rosa Gonzalez; from the "First Thing" program]

[FBIS Translated Text] During an economic efficiency assembly held at Santa Clara's Las Americas Hotel, the numerous difficulties faced in providing efficient service were discussed. For example, the employee's cafeteria is operating at a significant loss, but the reason is well known: Approximately 80 people are budgeted to eat there, but the hotel has authorized over 100 workers from nearby enterprises to eat in the cafeteria also.

Although the hotel had been renovated by its own workers, it is operating with a shortage of furniture, equipment, and most importantly, supplies for the rooms. For example, they only have 50 of the 350 sheets needed to supply all the rooms, there are very few glasses, light bulbs are missing—a long list of shortages which severely limit the worker's ability to provide good service.

Rolando Morales Soto, director of the Municipal Food Services enterprise, said that they do not have sufficient support and really do not have the necessary resources. The hotels that this enterprise manages in Santa Clara are in a complete crisis; of the five hotels that we manage—he said—we are taking steps to get two in shape by the end of the year, and the rest are scheduled for renovation in 1995. Nevertheless, Soto added, some of the problems at Las Americas can be solved by immediately instituting good business and management practices and resourceful management; for example, there is no excuse for broken chairs.

Even in its present condition, honeymooning couples, among others, stay at Las Americas. It is truly very difficult to understand that the few rooms available in such a large city would be in such deplorable condition. If they succeed in reaching their goals at these hotels, it will greatly benefit the citizens of Santa Clara as well as those passing through.

At the efficiency assembly the outstanding efforts of the workers were discussed; for example, because of difficulties at the local laundry enterprise, the workers washed the sheets, pillow cases and towels. The workers strongly emphasized the importance of solving these problems so they could work more efficiently and provide better service.

Western Army Leader Participates in Antiaircraft Analysis

FL0610111594 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 6 Oct 94

[From the "NTV" newscast]

[FBIS Translated Text] Division General Leopoldo Cintra Frias, chief of the Western Army, has participated in the yearly analysis of the Revolutionary Armed Forces' Unified Regional Antiaircraft Defense System, which concluded today.

Antiaircraft defense and the Air Force are very important troops in any country. That is why the exchange of experiences among Cuba's military leaders is so important, especially here where they are so linked to the idea of the population's involvement in a war. This is what has taken place in the western region of Cuba.

In this theoretical and practical analysis, various aspects of the functioning of the exploration system and the preparation of units occurs in a scenario of attrition and militarily surrounded conditions.

The abilities of the Western Army in the use of radio stations, aviation, and exploration systems were also analyzed.

[Begin Gen. Martinez Puentes recording] This has been of great help because it is a way of exchanging experiences among the various territories—central, east, and west. All the comrades are taking back to their territories with them the fundamental elements for correcting any deficiencies. [end recording]

'Straight Talk' on Importance of Slogans

FL0710011794 Havana Radio Rebelde Network in Spanish 1600 GMT 6 Oct 94

["Straight Talk": Studio discussion between guest Jose Alejandro Rodriguez and host Osvaldo Rodriguez]

[FBIS Translated Text] [O. Rodriguez] Today's topic: What can we achieve?

"Yes we can" is a slogan that our people are becoming familiar with today, a slogan that many others could render meaningless by mindlessly repeating it over and over again. Shouldn't we think of the slogan "Yes we can" as having special meaning?

[J. Rodriguez] Precisely, it should not be seen as just a slogan. That is the trick.

[O. Rodriguez] Yet, there are already billboards around reading: "Yes, we can!"

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[J. Rodriguez] For example, there is a billboard at the bus terminal that reads: "Bus terminal employees prove that yes, we can!" I have seen this at other institutions and a Committee for the Defense of the Revolution and have heard it in several addresses at meetings. We must sound the alarm about this because Raul's call is very profound and not just a one-shot deal. It means rejecting all the patterns of mediocrity, conformism, and routine elements in our lives which weigh down our efforts to overcome the problems.

[O. Rodriguez] It is like that infamous third blockade, which I believe we discussed once in this program. The goal is to chip away at the third blockade.

[J. Rodriguez] Exactly. But is this happening? The danger and the paradox lies precisely in that this call to boldness was made at the most difficult moment in our history, and it would be a sad paradox to see this call end up trapped by the same routine it condemns. There are people, obstacles that have become deeply rooted in our society and which reemerge like a phoenix or barnacles—it takes a lot of work to eliminate them from our social practices. It's a problem of sloganeering, which is nothing more than an aberration of social communication which deflates the best objectives, the best goals through repetition. We sometimes think that repeating an idea guarantees that it will become reality.

[O. Rodriguez] Yes, but slogans are necessary.

[J. Rodriguez] Yes, but slogans are needed at the moment they are needed, at the special moments, in the political heat of the moment, at particularly emotional times. I believe that what we need the most right now is arguments and reflection. The Cuban people have been called to a debate. We must become accustomed to debate, to disagree, to analyze things together, to find solutions among all. We cannot let intuitiveness, emotion alone be our guide. We risk living in a fallacy, in a mirage, in an epidemic of problems.

[O. Rodriguez] I don't want to disagree with you too much. Let's discuss points on which we agree, because I think that slogans are meant to mobilize people. Perhaps when we say that there is no need to use slogans if we can afford to, we are taking for granted that we have used slogans poorly. This is a little bit like the story of the husband who found his wife cheating on him on the sofa, so he throws out the sofa. We must be very careful not to throw the baby out with the bathwater.

[O. Rodriguez] There is a difference between using slogans badly, and not using slogans. Won't you agree?

[J. Rodriguez] I agree, but I believe that we must first be in touch with reality. These are times of action, above all. Words will always be alongside, but we have to prove ourselves with deeds. Many people take refuge in words. I agree that we can't throw the baby out with the bathwater. Slogans are necessary at certain times, a ceremony, a circumstance. However, you cannot repeat and repeat things. Stereotypes and standardized thinking is one of the weights, one of the things we must solve.

[O. Rodriguez] This is Osvaldo Rodriguez, from BOHEMIA magazine, talking with Jose Alejandro Rodriguez, from JUVENTUD REBELDE newspaper. The topic: What can we achieve?

We should discuss the concept that Raul spoke about on doing away with all our mental schemes on everything. I believe this is a call to break the mental schemes. When this is done, it will help us to achieve things that will bring about the solution to many problems. I invite you to talk about this and to get to the bottom of this reasoning for our listeners.

[J. Rodriguez] My personal opinion on this is—because everyone interprets it their own way—that the essence of the problem is that there must be a willingness to change, a willingness that must be closely related to truth, with truth in quotation marks and underscored—speaking as a press reporter—or underscored and in quotation marks. It does not matter how, but it must be based on truth.

The willingness to change, the whole transformation, and everything that is done must be done based on truth and reality. That is what Raul was talking about when he talked about shattering lies. Furthermore, it must be done with the participation of all the people. It cannot be the opinion of one or two people. It must be the opinion of all the people, a solution obtained from among the people.

[O. Rodriguez] In other words, it is an abolition of authoritarianism and of arbitrariness. Undoubtedly, when you talk about finding solutions as a collective, you are talking about just that. Now, I would say that realistic decisions are being sought in many places. Nevertheless, we do not always look for realistic paths, because we are looking for realistic solutions but sometimes when we look for a realistic path someone wants to solve the problems the way France, Venezuela, Mexico, which is an oil producing country, would solve that problem. Over the years something that has affected us has been that we have tried to copy other countries. I would like to invite you to discuss this because many believe that all the ideas are good because they are new.

[J. Rodriguez] I pointed out the problem with Can We Do It? and the other slogans that threaten this process. I was even saying that it has more to do with the language of the actions than the language of the words. Many people hide behind words and repeat words, yet they remain in the epidemic of the problem and did nothing to solve the problem. We can see that there are many people who repeat and do not apply the things that they say. The fact of us talking about no more slogans does not mean that the politics will be without excitement.

[O. Rodriguez] No, because if it were without excitement then we would cease to be Cubans.

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[J. Rodriguez] Politics would be boring and that is not what we are talking about. Politics have to be a bit more aggressive, with feelings. We must not forget that. But we are in a more complex sociopolitical web. The challenges we face now are much more complex. We can no longer use old tools. We must win people over with arguments that touch their hearts.

[O. Rodriguez] I am glad you mentioned the word politics because many believe that nowadays politics are being left behind or that to have a realistic economy, we must forget where the fruits of that economy are going to go. We must not forget the treatment that the workers must receive. There are some who believe that they are acting realistically and begin walking on an unrealistic path, such as doing away with an inflated payroll, especially today when the situation is so serious, and make the state support those workers. There is a new resolution now that regulates this. But some believe that by deflating the payroll or by selling products at higher prices they can achieve economic efficiency and forget about the rest of the problems. They are clear that the inefficiency must be solved, but the path chosen is not always a realistic one. I wanted you to talk more on politics.

[J. Rodriguez] The thing is that we must practice politics intelligently. I say this because many times there are very profound ideas and very profound realities with many angles and full of contradictions and sometimes we oversimplify reality through the use of slogans, which deters from communication.

[O. Rodriguez] Can you give us an example?

[J. Rodriguez] Yes, I could give you an example with the slogan We Will Be an Eternal Baragua. I believe Fidel said this, but I do not remember where or when he said it. Anyone who has studied our history knew how to take that and apply it to our reality. Nevertheless, we began to see the phenomena of slogans all over and everyone was repeating the Yes We Can slogan. Then you would see a billboard with the inscription: This City Will Be an Eternal Baragua. The billboard was on top of a dump. People are very intelligent. They would asks themselves: What do those words have to do with reality? Why repeat the same phrase over and over? Why not look for an interpretation or find things that derive from it? We must get used to the idea of saying things in their proper manner and with the different angles. That is what it is all about because by simply repeating the slogans, you are demonstrating a lack of ideas, vision, and creativity.

[O. Rodriguez] Jose, you gave a very good example of a billboard you saw at the bus station which stated: Yes We Can. I believe we made a fair critique of this type of propaganda. But don't you think this billboard could exist if it were accompanied by some arguments?

[J. Rodriguez] Well, of course, I believe actions must precede words. Many times words have preceded the action and nothing more was done.

[O. Rodriguez] In other words, those words substituted for the action.

[J. Rodriguez] Exactly. And the most important thing is that they say Yes We Can because we did this or that with the same amount of fuel or spare parts. I believe that is important because words are nothing. Words vanish into the air. The facts are what decide the reality of the country.

[O. Rodriguez] Thank you, Jose Alejandro, for being on "Straight Talk," on Radio Rebelde.

Dominican Republic

Government Not To Grant Asylum to Haitian Officers

PA0610204094 Madrid EFE in Spanish 1839 GMT 6 Oct 94

[FBIS Translated Text] Santo Domingo, 6 Oct (EFE)—The Government of the Dominican Republic today rejected the possibility of granting political asylum to the coupist Haitian officers who are still in their country.

"It is not true that the Dominican Government is willing to accept the coupist officers. The government has already met its quota with the entry of Colonel Joseph Michel Francois, who appeared at the border area on Monday night," Dominican Republic Foreign Miniser Carlos Morales Troncoso asserted.

The minister believes that, to avoid problems and differences between Haitian and Dominican authorities, the country has done enough by receiving Michel Francois.

Morales Troncoso indicated that other countries have offered to give asylum to General Raoul Cedras, Haitian military commander and head of the coup d'etat that toppled President Jean-Bertrand Aristide three years ago.

He explained that in response to a UN request, Joseph Michel Francois, former chief of the Port-au-Prince Metropolitan Police, was given a tourist visa to enter the country.

"The entry of the Haitian military officer was allowed for humanitarian reasons," the Dominican Republic foreign minister added.

He said Michel Francois' stay in the Dominican Republic will depend on the circumstances.

Michel Francois is responsible for thousands of deaths and disappearances, according to President Aristide's followers.

Dominican Republic President Joaquin Balaguer allowed Michel Francois, his wife Bernadette, and two of his associates to enter the Dominican Republic on Tuesday.

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The former military chief lives in an exclusive Santo Domingo sector, together with his four sons, who fled Haiti on 16 September.

Political Sector Opposes Francois' Presence

PA0610233894 Madrid EFE in Spanish 2158 GMT 6 Oct 94

[FBIS Translated Text] Santo Domingo, 6 Oct (EFE)—Political organizations and opposition leaders in the Dominican Republic today rejected the presence in the country of Joseph Michel Francois, the former Port-au-Prince police chief, stating the reception accorded to the former military leader may endanger relations with Haiti.

Protected by a tourist visa granted by the Dominican Government, Joseph Michel Francois entered the Dominican Republic on 4 October accompanied by his wife, Bernardette, and two aides.

The Dominican Liberation Party (PLD) lamented the government's granting a temporary visa to the former Haitian Metropolitan Police commander after considering his presence in the country may be used as a springboard to exert a negative influence on the Haitian people.

Jose Joaquin Bodi Medina, spokesman for the PLD deputies, affirmed "the government must prevent this person and similar individuals from using Dominican territory to alter the calmness and desired relations between the Haitian and Dominican peoples."

PLD Senator Jaime David Fernandez said neither the government nor the Dominican people benefit from the presence of Colonel Joseph Michel Francois, but it worsens the conflict between the Dominican Republic and Haiti.

Vicente Sanchez Baret, president of the Santo Domingo Accord senators bloc led by the opposition Dominican Revolutionary Party, said Joseph Michel Francois' presence in the country represents an offense to the Dominican Republic. He said the former Haitian police colonel came followed by the ghost of thousands of crimes, disappearances, and abuses he has perpetrated, according to supporters of Haitian President Jean-Bertrand Aristide.

Marino Vinicio Castillo, president of the National Progressive Force, condemned the granting of asylum and argued that Francois' presence would entail serious consequences for Dominicans.

He said the government should give Haitian coupist officers, including Joseph Michel Francois, a 10- to 15-day term to leave the country.

Guy Alexandre, Haitian ambassador to the Dominican Republic, said national authorities must not grant the coupist officers asylum, because they would take advantage of Haiti's proximity to exert their influence on that country.

Florentino Carvajal Suero, spokesman for the senators of the progovernment Social Christian Reformist Party, said the Dominican Republic is not sheltering Joseph Michel Francois but, rather, is sacrificing so that Haiti can change its path and overcome its crisis.

Haiti

Interior Minister Introduces Amnesty Law in Chamber

FL0610224294 Port-au-Prince Radio Metropole in French 1045 GMT 6 Oct 94

[FBIS Translated Excerpt] Topping the news: Rene Prosper, interior minister and acting justice minister in Prime Minister Robert Malval's government, officially introduced the amnesty bill into the Chamber of Deputies on 4 October.

Prosper told deputies that the amnesty bill—which aims to promote national reconciliation and to prevent violence and revenge attacks through legal action—will only cover political crimes, in compliance with the Constitution. The minister recalled that the amnesty bill that exiled President Jean-Bertrand Aristide had signed appeared in LE MONITEUR, the republic's official newspaper, on 8 October 1993. Edner Jean reports:

[Begin recording] [Jean] The deputies were divided into two different camps over the issue and had to meet behind closed doors: One camp thinks that the resigning government does not have the moral authority to commit the country to an amnesty law, while the other thinks that the deputies must restore the resigning government to power because it is provided for in the Constitution and because it is the way to solve the crisis. The deputies met before the formal session, which theoretically signified that Malval's resigning government had resumed its state activities once it took place. The deputies finally agreed to ask Acting Justice Minister Rene Prosper to submit the bill.

Petion-Ville Deputy Antoine Joseph clarified why the session was so important, pointing out that a resolution must be adopted as a reminder that this session is being held with a definite purpose in mind and that it is not meant to serve as a precedent for future sessions.

The acting justice minister eventually submitted the bill, noting that the government believes that peace will be found through an amnesty law and that he believes that it is time to mend our social fabric. The government intends to restore the Army and the police to their intended roles, namely to defend the national territory and Haitian lives and property. [passage omitted]

The justice minister pointed out that the amnesty bill that President Aristide proposed is in line with the

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Constitution, meaning that political pardon would only cover political crimes. Acting Justice Minister Rene Prosper presents the amnesty bill, through President Aristide's eyes:

[Prosper] The amnesty law must be fundamentally modified in the interest of public order and social peace. The report issued by the justice minister and approved by the Council of Ministers suggests that the legislature approve the following law.

Article 1, Section 3 of the 24 September 1960 law, would be modified to read: The head of state's constitutional right to grant amnesty can only apply to those involved in political crimes. This would include crimes and offenses designed to jeopardize internal and external state security, crimes and offenses designed to destabilize the state, and secondary crimes and offenses that are mentioned in the penal code. Amnesty can be granted before or after the legal proceedings and even after the decree in one's absence.

Article 2 would read: The current law abrogates all laws and legal clauses and all decrees and decree clauses contrary to the law and will be executed at the justice minister's discretion.

[Jean] Prosper reminded the legislators of the emergency situation the country is in and of the need to vote on this amnesty bill, pointing out that the people are waiting to finally resume their daily lives. Unfortunately, the legislators did not have time to debate the amnesty bill. A copy of the bill had to be submitted to the Justice Commission of the Chamber of Deputies under law. We hope to see the lower chamber hold a formal debate on the amnesty bill in coming days.

Prosper was accompanied by Ministers Jean-Marie Cherestal, Francois Sevrin, and Jean Moliere. [end recording]

Deputies Propose Truth Commission

PA0710014794 Madrid EFE in Spanish 2343 GMT 6 Oct 94

[By Herold Jean-Francois]

[FBIS Translated Text] Port-au-Prince, 6 Oct (EFE)—The Chamber of Deputies approved today the reasons for and the spirit behind the amnesty bill for the military officers who participated in the coup d'etat that overthrew Haiti's constitutional, President Jean-Bertrand Aristide, on 30 September 1991. All that remains now is final approval of the amnesty bill, which is expected within the next few hours.

An article was added to the bill submitted by the constitutional government and states the amnesty law may not be revoked.

According to the deputies' proposal, the law should be approved tonight.

The deputies also proposed the creation of a "truth commission" to investigate the crimes committed following the coup d'etat and the creation of a compensation fund for the victims.

The Chamber of Deputies consists of 83 legislators, but to approve the amnesty bill, which contains two amendments, for the military officers, it will be necessary to establish alliances, because there is no majority group.

Amendment No. 1 to the old amnesty law states this benefit, based on the Constitution, is granted by the head of the executive branch only in cases of crimes committed against public property, against the country's internal and external security, and crimes aimed at disrupting state order.

It also includes crimes that are punishable under the Haitian Penal Code.

Amnesty may be granted before or after a person is prosecuted or sentenced in his absence.

Amendment No. 2 states the new measure repeals all laws, decrees, or norms that contradict the content of the bill submitted by the Haitian executive.

The military leaders, headed by General Raoul Cedras, who overthrew Aristide on 30 September 1991, are demanding a broad amnesty law to cover all possible violations of the law after the coup.

In the decree issued on 3 October, the amnesty granted to the military officers only covered violations of the law committed after the coup d'etat and before 3 July 1993, but Cedras rejected it and demanded that the approved law include the entire period of the regime following the coup d'etat (three years).

The Haitian Constitution only allows, however, for the granting of amnesty for political crimes.

Moreover, thousands of people, followers of President Aristide, demonstrated today in the city of Mirebalais, in Departement du Centre, 100 km from the capital, in favor of the return of the Haitian president.

An incident took place during the demonstration when a man identified as an "attache" (police assistant) threw a rock at the crowd, which proceeded to beat him up and subsequently turned him over to the U.S. soldiers stationed in a barracks in that city.

Chamber of Deputies Passes Amnesty Bill

FL0710130494 Port-au-Prince Signal FM Radio in French 1030 GMT 7 Oct 94

[FBIS Translated Text] On the night of 6 October, the Haitian Chamber of Deputies approved an amnesty law notably concerning the authors of the military coup d'etat that overthrew President Jean-Bertrand Aristide on 30 September 1991. This vote is considered a decisive step toward a settlement of the three-year old Haitian crisis. It is a political amnesty law whose stipulations

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open the way to a much wider amnesty, because its first article grants it to any and all crimes and offenses incidental to those political offenses.

The text was voted on by about 50 deputies out of the 52 who were present. The text was thus passed by those deputies. The 42-parliamentarian quorum was reached. This majority was reached thanks to the support of the socialist deputies including those of all leanings. Chamber of Deputies President Frantz Robert Monde, who has socialist leanings, said it is an historical deed that will allow Haiti to finally reach its balance. The creation of a commission for the truth on the coup d'etat and a compensation fund for victims and (?the victims) of repression—sought by many parliamentarians—does not appear however in the adopted law and will form the subject of a subsequent vote.

The bill was presented before the Chamber of Deputies on 5 October by Mr. Rene Prosper, minister of the interior and interim minister of justice of the government of resigning Prime Minister Robert Malval designated by exiled President Jean-Bertrand Aristide.

Parliament Head: Approval of Amnesty 'Historic Event'

PA0710032794 Madrid EFE in Spanish 0229 GMT 7 Oct 94

[By Herold Jean-Francois]

[FBIS Translated Text] Port-au-Prince, 6 Oct (EFE)—The Haitian parliament today approved by a majority a proposal to pardon the coupist military personnel who overthrew constitutional President Jean-Bertrand Aristide three years ago.

A consensus had previously been reached on the proposal, which was introduced by Aristide himself and according to which the amnesty affects "all crimes and related political actions" of the military personnel who deposed Aristide three years ago.

After approval of the proposal, the Haitian parliament president, Frantz-Robert Monde, said it is "a historic event that will make it possible for Haiti to recover its balance and breathe" as a nation.

The law pardons the military personnel who participated in the coup d'etat that overthrew President Aristide on 30 September 1991.

The military leaders who deposed Aristide, headed by General Raoul Cedras, had demanded a broad amnesty to cover all probable violations of the law since the military coup.

An amendment stating the amnesty cannot be revoked was added to the proposal sent by the constitutional government.

In addition, the deputies created both a "truth commission" to investigate the crimes perpetrated after the coup and a "reparation fund" for the victims of the violence, but Haiti's Constitution allows amnesty for political crimes only.

The Haitian Senate must revise the proposal approved today before it is enacted.

Thousands of Aristide followers demonstrated today in Mirebalais, Center Department, 100 km from the capital, in favor of his return, scheduled for halfway through October.

Legislative Alliance Protests Jonassaint Removal

FL0610214494 Port-au-Prince Radio Metropole in French 1600 GMT 6 Oct 94

[FBIS Translated Text] The Alliance for Parliamentary Cohesion [ACP] has reacted to the Senate resolution impeaching provisional President Emile Jonassaint. The ACP said that it cannot believe that senators who strongly support the occupation force, which has set up an infamous barbed wire fence around us, think that they can pass a resolution impeaching provisional President Judge Emile Jonassaint. The ACP would like the nation and the world to know the following:

The ACP considers passage of this resolution null and void and unconstitutional, particularly since there was no quorom. In addition, the law states that the Chamber of Deputies can impeach the president only with the Supreme Court's approval. The resolution also violates the Port-au-Prince agreement which was signed by provisional President Jonassaint and Mr. Jimmy Carter—on behalf of U.S. President William Jefferson Clinton.

The ACP believes that the Senate resolutions passed on 10 April and 10 May 1994 can serve neither as a pretext nor as a reference to this so-called 4 October resolution. The resolutions mentioned earlier only aimed to fill the vacuum following Prime Minister Robert Malval's resignation on 15 December 1993, in compliance with Article 149 of the Constitution. The ACP reminds that there are 26 senators in the Senate: The Provisional Electoral Council elected 17 of them on 20 January 1991; the Permanent Exceptional Electoral Council elected the other nine on 18 January 1993 following the general elections of 17 January 1988, which should have put an end to the provisions of the 1987 Constitution.

Deputy on 'Confusion' on U.S. 'Cooperation' With FRAPH

FL0610161194 Port-au-Prince Signal FM Radio in Creole 1130 GMT 6 Oct 94

[FBIS Translated Text] Nothing that has happened prevents Deputy Samuel Madistin from seeing confusion in the country's political realities. Deputy Madistin responded to Signal FM's questions:

[Begin Madistin recording] Well, we have now observed in the political atmosphere—rather in the political landscape—great confusion, great confusion nourished by

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people who have perhaps shameful and unconfessed interests to nourish this confusion. When I consider... [rephrases] if I offer very briefly some examples, some statements, and deeds, that could help you understand the situation of confusion that is now prevailing in the political landscape.

I would offer, for instance, as the first case the scandalous statement by Ms. Dee Dee Myers who said the U.S. troops are here to cooperate with and support the Revolutionary Front for the Promotion and Progress of Haiti [FRAPH], which is an extreme rightwing organization, a terrorist organization which raped many people in Haiti, many women, and which killed many and caused many people to disappear. This is a surprising statement.

When we consider.... [rephrases] the fact that the U.S. Embassy spokesman took upon himself the responsibility of organizing a news conference at the foot of the monument of Toussaint Louverture, the genial forerunner of independence, with the one who is denounced by public clamor as being responsible for numerous human rights violations is another case that has created a certain confusion as to the presence of the U.S. troops here in Haiti. When you consider all the security given to Mr. Constant by the U.S. troops, whereas the ministers of the constitutional government never have enough security to resume their activities normally; this is another element which has shown, which has created a certain confusion—in my opinion—in the political landscape. [end recording]

That was a statement by Deputy Samuel Madistin who questions very much the behavior of Stanley Schrager with the leader of FRAPH, Mr. Emmanuel Constant. We should inform you that last week Ms. Dee Dee Myers said that the U.S. troops are in Haiti to cooperate with FRAPH.

Socialist League Criticized Cooperation

FL0610162494 Port-au-Prince Signal FM Radio in Creole 1130 GMT 6 Oct 94

[FBIS Translated Text] The Socialist Workers League [LOS] says the presence of the U.S. Embassy spokesman beside the leader of the Revolutionary Front for the Promotion and Progress of Haiti [FRAPH] during the latter's news conference on 4 October is a provocation. According to the LOS, the U.S. Embassy spokesman [Stanley Schrager] made a bad choice to counterbalance the Aristide government. It also says it is asking the spokesman for explanations regarding this action; that is, for having joined with Emmanuel Constant to hold a news conference in front of the Unknown Maroon [Marron Inconnu] on Place de la Liberte.

[Begin unidentified LOS member recording] [Words indistinct] I also know that USIS itself said that FRAPH is a terrorist organization. I find it funny that this same terrorist organization is cooperating with the U.S. Embassy. This clearly shows us that the role of the U.S. Embassy today is to prepare somebody to counterbalance the power of Jean-Bertrand Aristide and to present Aristide with a fait accompli after he has made concessions that he should not make. [end recording]

This was a statement by an LOS member.

Les Cayes 'Tense' Following U.S. Military Search

FL0610211494 Port-au-Prince Radio Metropole in French 1600 GMT 6 Oct 94

[FBIS Translated Text] The situation in Les Cayes is delicate and tense. AFP reports from the country's third city that U.S. forces have arrested and imprisoned about 15 Haitian soldiers and have seized a significant number of weapons at the homes of three police lieutenants in Les Cayes.

U.S. forces in Port-au-Prince report that the U.S. military uncovered quite an arsenal—including M-1 rifles, pistols, machine guns, Uzis, rocket launchers, and grenades—at the homes of the three Haitian officers in Les Cayes, while Colonel Jean-Evans (Gedeon) refuses all cooperation with U.S. troops.

Furthermore, the U.S. military came upon a civilian prison in Les Cayes in which about 40 people were being held, including 30 who were packed into one cell. Tension in Les Cayes increased over the weekend following an attack on a soldier inside the city's barracks. A U.S. officer told AFP that the attackers are allegedly Haitian soldiers. A total of 17 soldiers were arrested the following day, while the rest abandoned the barracks.

Civilian Mission of UN Observers Returns

PA0610222394 Madrid EFE in Spanish 2054 GMT 6 Oct 94

[By Herold Jean-Francois]

[FBIS Translated Excerpt] Port-au-Prince, 6 Oct (EFE)—The civilian mission of UN observers, which was forced to leave Haiti on 13 July following instructions from the "de facto" government, returned to Port-au-Prince today.

The UN spokesman in Haiti, Erick Falt, announced that approximately 30 observers arrived in Port-au-Prince. He said he was very pleased to return to Haiti, where he has found people with new hopes in a climate different from the one he left three months ago.

He also said that during their journey from the border with the Dominican Republic to Port-au-Prince, the members of the mission were given a warm welcome by citizens, who applauded them as they approached the Haitian capital. [passage omitted]

It was also learned that one person was killed, and four others were wounded when security guards opened fire

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as they tried to loot a warehouse in the area of Chancerelles, along highway No. 1, according to authorities.

Spain's Solana Denies Contacts on Cedras' Exile

BR0710083494 Madrid EFE in Spanish 1250 GMT 6 Oct 94

[Article signed JGB/CP: "Solana: No Request For Cedras' Exile but Spain Wants To Help"; as released by Madrid EFE Database]

[FBIS Translated Excerpt] Madrid, 6 Oct (EFE)—Foreign Minister Javier Solana said today that no formal request has been made by the U.S. or Haitian authorities to have Spain be a place of exile for former Haitian strongman Raoul Cedras, but that Spain is prepared to "lend a hand."

"Spain prefers to be part of the solution rather than part of the problem," Solana said, before stating that there had been no contacts requesting Spain to provide a place of exile for Cedras, as was reported by several U.S. media sources.

He refused to talk about possibie conditions set by the government to a request to receive the Haitian officer, saying that they are just "ideas", although he made it clear what Spain's attitude was toward facilitating the peaceful development of the situation in Haiti. [passage omitted]

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Chihuahua Governor Criticizes California Border Policy

PA0510180394 Mexico City LA JORNADA in Spanish 4 Oct 94 pp 60, 6

[Report by Ruben Villalpando Moreno and David Currizales]

[FBIS Translated Text] Ciudad Juarez, Chihuahua, 3 Oct—Chihuahua Governor Francisco Barrio Terrazas has said that his California counterpart, Pete Wilson, has not complied with an agreement signed during the latest Border -State Governors Conference in May 1994 which calls for respect for human and labor rights in ten border states.

In Nuevo Leon, the Chamber of Commerce of Monterrey announced it will join the boycott declared by businessmen in northern Mexican cities against U.S. border trade to protest discriminatory policies against Mexican immigrants.

Amadeo Garza Trevino, a business leader, has said that although it is true that his business organization cannot force its 13,000 members to abstain from acquiring products from the United States, it can urge them to join the boycott.

The governor of Chihuahua said during an interview in Ciudad Juarez that at the governors' meeting in Phoenix, Arizona, Wilson demanded that the immigration issue be omitted from the joint communique.

In negotiations between the governors of Sonora, Tamaulipas, Arizona (the meeting's host), and California, it was agreed "to tone down" the joint communique and to disregard guidelines provided by the Mexican Foreign Relations Secretariat to the Mexican governors.

Not satisfied with this, Governor Wilson was still indisposed to sign the document, but finally, on advice from a U.S. State Department envoy, he "reluctantly" agreed to sign the commitment calling for the protection of human and labor rights of agricultural immigrants.

The Chihuahua governor, a member of the National Action Party, stated: "Now it has become obvious that Governor Wilson never endorsed the agreement of the Border-State Governors Conference last May and therefore is not prepared to comply with it."

Governor Barrio said that Wilson, who is seeking reelection, is making it obvious that "he will not comply with any agreement he may sign."

Barrio added that the federal government, through the Foreign Relations Secretariat, must review the problem created by the governor of California to find a concerted solution.

Barrio Terrazas, the mayor of Ciudad Juarez from 1983 to 1986, has said that the boycott against U.S. border cities proposed by Mexican business chambers and organizations "is an inadequate measure and therefore will not be successful."

He recalled that "a boycott against El Paso businesses was convoked in Ciudad Juarez" last year when Operation Blockade against Mexican immigrants was begun in Texas, "and most of the people did not support it."

The governor said he is prepared to promote actions in favor of the human rights of migrant workers and illegal immigrants that the private sector and the people in general may propose, as long as they are "legal or will be carried out through consular channels."

In Monterrey, Garza Trevino explained that the measure proposed by Mexican businessmen is directed against Operation Doorkeeper, which is being promoted by the governor of California in his reelection campaign.

Wilson is blaming Mexican immigrants for the problems faced by the Anglo-Saxon community in his state.

Garza said that so far, businessmen from Baja California Norte, Chihuahua, and Tamaulipas have joined the boycott, and it is probable that other border states will join since "racism against our fellow countrymen hurts the nation's dignity."

New PRI Secretary General Profiled

PA0510172994 Mexico City LA JORNADA in Spanish 2 Oct 94 pp 1, 6

[Report by Jose Urena]

[FBIS Translated Text] Maria de los Angeles Moreno tomorrow will assume the post of secretary general of the Institutional Revolutionary Party (PRI), replacing the late Jose Francisco Ruiz Massieu. Moreno will initiate reform in that political organization.

A close supporter of President-elect Ernesto Zedillo Ponce de Leon said yesterday that the decision was made after three people on Zedillo's list were rejected: Esteban Moctezuma, Pedro Joaquin Coldwell, and Dante Delgado Ranauro.

According to that report, the decision to appoint Moreno—a former deputy secretary for Regional Development of Programs and Budgeting, former fisheries secretary, senator-elect of Mexico City, and president of the Chamber of Deputies—was made jointly with Los Pinos [office of the president].

The source—who has a prominent position on Ernesto Zedillo's team—explained that Moreno's immediate task will focus on the process of change in the PRI and on negotiations with the various groups in the countryside—one of the many duties fulfilled by Ruiz Massieu.

That would imply that Moreno will assume the PRI presidency in December. It will then be up to her to conduct consultations among PRI militants and later, in the second half of 1995, to draft the basic documents.

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Moreno is the daughter of surgeons Manuel Moreno Islas and Amalia Urruegas Sanchez de la Vega. She earned a degree in economics at the National Autonomous University of Mexico (UNAM), and her thesis entitled "Women in the Mexican Economy" received an honorable mention. She pursued graduate studies in The Hague, the Netherlands.

She entered public service as a staffer at the Industry and Commerce Secretariat in 1964, when she still was a student. Her fist job was as an economic analyst for the Sampling Directorate General [Direccion General de Muestreo], a position followed by many others in the economic field.

When Carlos Salinas de Gortari arrived at the Planning and Budget Secretariat (SPP) [Secretaria de Programacion y Presupuesto] in 1982, Moreno was appointed under secretary of Social and Rural Development Planning and Budget, and was later appointed under secretary of Social and Regional Development Planning and Budget.

When Salinas took office, he appointed her fisheries secretary, a post she held until 15 May 1991, when she had to resign by presidential mandate to run for the office of federal deputy.

When Fernando Ortiz Arana was appointed PRI leader, Maria de los Angeles was coordinator of the PRI majority faction and was involved in the political reform process. She was also president of the Chamber of Deputies and had been scheduled to become coordinator of the PRI majority in the Senate.

Aside from her administrative and political duties, she has written a number of documents, beginning with an unpublished document entitled Historical and Economic Study of Mexico's Foreign Debt 1940-1975.

Her official resume gives the date of her admission into the PRI as 1970, but her biographical records list it as 1981, when she was vice president of the Population Social Dynamics Commission [Comision de Morfologia y Dinamica Social de la Poblacion]—a commission that belonged to the PRI's now defunct Political and Socioeconomic Studies Institute [Instituto de Estudios Politicos, Economicos y Sociales] during the Miguel De la Madrid presidential campaign.

Moreno, who has always been close to Salinas, has held many posts. When Salinas was campaigning, he appointed her to the PRI Honor and Justice Commission. In February, long before running for Federal District senator, she was the president of the Women's Congress for Change, a partisan organization.

If there is a change—last night, the National Executive Committee said her appointment was not official but likely—Moreno will become the PRI secretary general tomorrow at 1000, as stipulated by the PRI National Political Council. The ceremony will be held at the Plutarco Elias Calles Auditorium.

Possible Interpretations of Election Viewed

94CA0184A Mexico City LA JORNADA in Spanish 30 Aug 94 p 5

[Commentary by Alberto Aziz Nassif, political sociologist on the faculty of the Mexico City Center for Advanced Research and Studies in Social Anthropology: "The Future in Question"]

[FBIS Translated Text] The days following 21 August have been marked by a series of unusual feelings ranging from incredulity, surprise, disappointment, and disgust to curiosity about what happened.

It is incredible that the voter turnout hit 77.7 percent and that PRI posted an almost complete sweep. It is surprising that the PAN [National Action Party] opposition was defeated in what were assumed to be its regional strongholds, Chihuahua and Baja California. There is disappointment because almost half of the country voted for the status quo and did not dare even to establish a counterweight in the Legislature. It is disgusting that long-standing methods of fraud were not eradicated in this election; some examples are the many irregularities that the Civic Alliance has very professionally documented. The motives for people's votes will have to be analyzed with the utmost care to understand the real Mexico.

The 21 August election is unquestionably one of the country's most important political events, and new forecasts have to be made on the basis of it. The numbers indicate a strong comeback by the party of the State, which in electoral terms we could call a dominant party. The next problem is to try and understand what the mandates of this massive vote are and to identify the odd paths into the future. The final report of the Federal Electoral Institute and Cardenas's speech on Saturday, 27 August in the Zocalo [main square in Mexico City] mark the beginning of a new stage.

For years the opposition has struggled to make the electoral ground rules fairer as one way of achieving a democratic transition. The country proceeded in accordance with this rationale practically since the reform of 1977. There were two basic objectives. One was to build an inclusive system of parties so as to turn elections into a path towards political change, the possibility of another party taking power, and democracy. The other was to be achieved simultaneously: ending the regime of the party of the State. On the way a problem arose: PRI's authoritarian resistance to give up power when the citizenry took it away at the ballot box. The electoral axioms of fraud, manipulation, and negotiation thus came to be established. With 1988 came so-called gradualism. After Chiapas has come the third reform of the six-year term, as the possibility of another party taking power has supposedly arisen. Today, almost 20 years after the symbolic reform of 1977, we do have new rules, but the game remains the same: a regime of the party of the State.

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Throughout this process there have been several movements whose direction has not necessarily coincided. We are accustomed to thinking of politics in terms of gains and losses, as each of us assigns them a value or even a score. We acknowledge the qualitative gains, but we almost fail to see the qualitative losses. Before 21 August we had a country with a fragmented voting pattern in which there was almost a single party in one area, a two-party system in others, and even three major parties in still others. Today we have an almost complete sweep by PRI, which took 48.7 percent of the vote, with 51.3 percent voting for someone else. In spite of it all, PRI has a plurality, not an absolute majority. And perhaps we have to acknowledge that elections have become a mechanism that needs to be redesigned, given that the ballot box has become the main vehicle of political expression in Mexico.

If we view the results of the 21 August vote as a barometer of the democratic transition, then the following could be our conclusion: the party of the State has made a comeback, by cleaner methods than in the past, but there was still fraud, and at the same time the authoritarian system was brought into action to help maintain the regime in the face of possible change. If we do not view it as such, then the conclusion could be different: the comeback by the party of the State is temporary, resulting from the extraordinary events in Mexico in 1994, and when things return to normal, we will again be able to recognize the part of the country that already thinks like a pluralistic Mexico and that aspires to a democratic system. Perhaps both conclusions are true, perhaps not. The fact is that we have a divided country and a political agenda of changes ahead.

The result of 21 August has brought together two political effects in a paradoxical way. The gains towards fairer ground rules were the result of the momentum that derived from the Zapatist uprising in Chiapas. However, the assassination of Colosio and uncertainty about change caused the initial momentum for change to be overridden by a factor that was not clearly seen: the need to restore order in the face of potential chaos. The uncertainty of potential change was intolerable. Perhaps this fear can explain, if not PRI's victory, which almost all the polls were predicting, then at least its extent, that is to say, the complete sweep.

The political agenda after 21 August remains undecided, for which reason the result of the election does not solve the pending problems of a deeper political reform. It is precisely because the PRI's 48 percent in 1994 is not the same as the National Revolutionary Party's 93 percent in 1930 that self-congratulation is not in order. An analysis of the election and, above all, of the PRI vote could help indicate what needs to change. The change in the ground rules did not deactivate the party of the State, of course: the corporate ties, the patronage of Pronasol [National Solidarity Program] and Procampo [Program for Direct Support to the Countryside], the almost unlimited money, the maneuvers by many governors to support PRI, the uselessness of the Office of the Special Investigator for Electoral Affairs (which went after investigator Bazua and let the real electoral criminals go free), the complicity of many mass media that behaved like part of the regime, and the inertia of a vote-buying PRI political culture.

The bottom line on 21 August is unpleasant: a complete sweep by PRI, a Legislature that is not a check and balance, a reinforced party of the State, a discouraged opposition, regional setbacks, a poorly run election, and an uncertain political future. What sort of governability lies ahead? The future is in question....

Inequitable Electoral Process Noted

94CA0185A Mexico City REFORMA in Spanish 29 Aug 94 p 11A

[Commentary by Juan Molinar Horcasitas, researcher at the National Autonomous University of Mexico's Social Research Institute: "Let's Learn and Move Ahead"]

[FBIS Translated Text] The time has now come to start figuring out the bottom line on the 1994 federal election, because although several stages remain, the most important part of the process, the voting itself, is over. Impressive numbers of citizens turned out to cast their ballots, and the public already knows the preliminary results. The recent election can be analyzed from several angles, but two clearly stand out. First, we have to assess the quality of the election itself, because even now honesty and fairness remain a key aspect of elections in Mexico. Second, we have to review the results in an effort to ferret out their foreseeable consequences.

I think that I can offer the following provisional conclusions. The recent election was clean, in the sense that the main electoral officials were impartial and the ballots were duly counted. Nevertheless, the conditions under which it was held were still inequitable, especially as regards campaign financing and media coverage. A clean election is a big step forward that we Mexicans must not underestimate, inasmuch as it will enable us to move ahead on a firm footing in building a more democratic political system. On the other hand, the inequitable conditions of the electoral competition must not halt our efforts at democracy; rather, they should spur us on once again to travel the institutional paths of political reform and negotiation with patience and creativity.

The assessment that the election was clean is shared by major segments of public opinion. No one is denying that there were an as yet undetermined number of irregularities and shortcomings, but people seem convinced that they were not major enough to significantly alter the results. It is important, very important, for the parties with grievances to have an opportunity to avail themselves of their legal recourses against such occurrences. If this is done properly, then the legitimacy of the election will be bolstered, and thus there will be a better

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chance to put together the new political accords that the country may require in the immediate future.

As for the unfairness of the overall conditions of the electoral playing field, I am of the opinion that we must focus our efforts on two or three areas. On the one hand, we must review the status of campaign financing regulations. For the first time in history we have a regulatory framework in this regard, but it is too lax and indulgent to serve the fundamental purpose of establishing a more equitable playing field. On the other hand, we must immediately review the status of the mass media, especially the electronic media, in our country. In this regard, as I pointed out in a recent article, I think that the most efficient and democratic way to reconcile the citizenry's right to information with the media's freedom of expression is to establish less precarious property rights in radio and television licenses and, at the same time, to foster greater competition in the mass media market. As for regulating party finances, I think that we must simply make incremental but rapid progress in the direction that we have already set in the current law, by closing legal loopholes, creating better auditing and disclosure tools, and lowering the ceilings on contributions to parties and on their outlays.

Lastly, there is the issue of the returns. Although it is still too early to put forth sound causal explanations of the electorate's behavior, the fact is that the message that voters sent us must be analyzed with the utmost analytical rigor and discussed calmly and self-critically. Much of our capacity to guide the country in the immediate future depends on our understanding clearly the behavior of voters on this important occasion.

As for the potential consequences of these results for the republic, I think that we have to be on the alert for another no less important problem that we will be facing: the vote will create an extremely strong partisan government that owing to its wide majorities in the Legislature could easily fall prey to absolutist temptations that could do great damage to the country under current conditions. The greatest danger that this poses is that the government will interpret the election returns as a mandate to govern without consulting the opposition and without seeking the political negotiations that will help strengthen the democratization that has now begun.

The fact that the victorious party won a huge percentage of the seats in the houses of Congress represents a danger, not a blessing, for the country. Under the next government PRI will hold the presidency, more than two-thirds of the Senate, three-fifths of the Chamber of Deputies, and a majority in the Federal District Assembly of Representatives. This enormous power comes on top of PRI's already overwhelming control of the country's governorships, state legislatures, and municipalities. Part of this overwhelming control stems from the most recent federal election, which lends the regime a major degree of legitimacy, but another part comes from elections that were bitterly challenged at the time. For this sole reason it would be prudent for the incoming government to return more enthusiastically to the path of political and electoral reform.

For example, it is important to revise our electoral formulas to end the bias in favor of the majority party that they still reflect so that we can fully adopt institutional models that adhere to the principle of proportional representation. It is also important to continue along the course indicated in the 27 January accords for peace, democracy, and justice. These accords enabled us to deal successfully with the change of government in spite of the trying conditions under which it took place. We must not forget that their objectives went far beyond the important but limited framework of organizing this election and directly addressed a broader political and historic issue: the democratization of Mexico. The lesson that we must clearly learn is that consensus-building and negotiation is the way to go. The experience of 1994 must not be pooh-poohed. Let's learn and move ahead.

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El Salvador

Government, FMLN, ONUSAL Approve Peace Timetable

PA0710043394 San Salvador LA PRENSA GRAFICA in Spanish 5 Oct 94 p 34

[FBIS Translated Text] Representatives of the government, the FMLN [Farabundo Marti National Liberation Front], the ONUSAL [UN Observer Mission in El Salvador], and friendly countries approved yesterday a new timetable for the pending peace agreements to consolidate and strengthen peace, democracy, and the rule of law the Salvadoran people are forging.

It was agreed the agreements, the compliance of which is pending or under way, must be fully complied with by 30 April 1995 at the latest, the reason why the government of Armando Calderon Sol and the FMLN have committed themselves to closely cooperating and actively ensuring full compliance with the agreements.

As President Calderon Sol stressed his government's political resolve to fully comply with the agreements, he said "we are convinced we have reached the final stage in the implementation of the agreements, the stage in which we need to promote this implementation and intensify efforts to successfully conclude what was agreed on in Chapultepec in 1992."

He added that as the agreements reach their final stage, it is necessary, now more than ever, for the friendly countries, the international community, and the United Nations to continue providing aid to conclude the implementation of the agreements.

The president said the approval of the new timetable indicates the two parties' resolve to finally conclude the agreements pending or being implemented.

The Salvadoran head of state said we made the commitment as we signed the document to comply with the Chapultepec agreements in the shortest period possible, adding: "It is necessary to finish implementing the agreements once and for all so as to fully enjoy the country's institutional life."

The adopting of mechanisms by the government, the FMLN, and the ONUSAL and determining what specific measures are needed to swiftly honor the commitments made are among the agreements the two parties reached. In addition, the FMLN agreed to support the government's efforts to finance the implementation of the pending agreements, including, among others, the complete transfer of land to former guerrillas and the full deployment of the National Civilian Police.

Once the government and the FMLN agree on the new timetable to expedite the implementation of these agreements, they will begin making joint efforts to obtain the necessary resources from the international community. They also agreed to inform the Salvadoran people and the international community of their decisions made and the steps taken.

The government and the FMLN emphasized their request to the United Nations to extend the ONUSAL term until 30 April 1995.

General Mauricio Ernesto Vargas, on behalf of the government, and Shafik Handal, on behalf of the FMLN, signed the final document.

ONUSAL Announces Personnel Reduction

PA0610192294 San Salvador EL DIARIO DE HOY in Spanish 3 Oct 94 p 13

[FBIS Translated Excerpt] Enrique Ter Horst, head of the UN Observer Mission in El Salvador (ONUSAL) announced on Saturday [2 October] that they would be reducing approximately 75 percent of their personnel. The Venezuelan official said the mission would keep enough personnel to complete its mission in the country, which is scheduled to end on 30 November.

He estimated that the ONUSAL would operate with 25 percent of its personnel even if the UN Security Council extends its stay in El Salvador, as has been requested by President Calderon Sol's government, for a period of three to six months starting next November.

Currently, the international mission is operating with approximately 700 people, including civilian and military personnel.

At the 49th annual UN conference in New York last week, the Salvadoran Government asked that the ONUSAL would be extended six months to help enwure compliance with the peace agreements signed in January 1992.

The points that have yet to be implemented are the deployment of the new Civilian National Police (PNC) throughout the country, reforms to the electoral and judicial systems, the transfer of land to former combatants, and the total dismantlement of the former national police.

In 1990, the government of former President Cristiani signed an agreement with the FMLN [Farabundo Marti National Liberation Front] to create the ONUSAL, which was officially established in January 1991 for a period that was to conclude on May 1994.

UN Secretary General Butrus Butrus-Ghali, a former president of the Socialist International, asked the UN Security Council for a six-month extension, which ends on 30 November 1994.

Ter Horst observed that the new extension will depend on the request the UN secretary general presents to the Security Council in November. [passage omitted]

Guatemala

URNG Proposes Peace Negotiations Be Held in Country

PA0610185294 Guatemala City PRENSA LIBRE in Spanish 3 Oct 94 p 3

[FBIS Translated Text] The General Command of the Guatemalan National Revolutionary Unity, URNG, has proposed to the government that the continuing peace negotiations be held in Guatemala, guerrilla Commander Pablo Monsanto said in an interview given to PRENSA LIBRE.

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Monsanto asserted that the meetings could be held in Guatemala City or in the western Quetzaltenango Department but that the guerrilla commanders had to receive corresponding diplomatic protection.

The rebel commander emphasized that the URNG maintains a clear position in that the government must show its compliance with the stipulations of the global human rights agreement signed in Mexico. If this is not done, he said, the guerrillas are not willing to demobilize and surrender their weapons.

Smaller government and URNG delegations met recently but did not reach an agreement on setting a date to renew negotiations, because the government delegation does not accept that it has not complied with the mentioned agreement.

However, Monsanto stated, the government delegation had asked Jean Arnault, the French peace negotiations moderator, to evaluate which of the two sides has not complied with the global human rights agreement. As soon as Arnault's report is presented, the two parts will meet again to set a date to continue the negotiations, he added.

Likewise, he disclosed that the URNG had proposed that the next point, the one related to the rights of the Indian nations, be discussed in El Salvador or Costa Rica. Monsanto added that Salvadoran President Armando Calderon Sol's government had informed the URNG of its willingness to allow the meeting to be held in its territory.

Monsanto said the issue of Indian rights is very important and should have ample participation from the Civilian Society Assembly, over which former National Reconciliation Commissioner Rodolfo Quezada Toruno is presiding.

Official: Rebel Proposal 'Step Forward'

PA0710042694 Guatemala City PRENSA LIBRE in Spanish 4 Oct 94 p 3

[FBIS Translated Text] Dr. Hector Rosada Granados, presidential secretary for peace, development, and reconciliation, yesterday characterized the guerrillas' proposal to move the peace negotiations to the country as a "qualitative, important step forward for the process."

Rosada Granados said, however, that before this move happens legal conditions must be created allowing the return of the commanders from the Guatemalan National Revolutionary Unity, URNG, to the country, as well as guarantees there will be no future human rights violations.

There have been offers by friendly countries to change the venue of the peace negotiations, but we would have to have a very strong reason to do so, the official negotiator said when asked about the possibility of suspending the negotiations in Mexico.

The only issue that merited a change was the historical clarification of the past, given this is a topic outside of the agenda. There must now be a special reason to change the venue of the talks, the government negotiator said.

Honduras

Government Agrees To Receive 6,000 Cuban Rafters

PA0610203994 Hamburg DPA in Spanish 1806 GMT 6 Oct 94

[FBIS Translated Text] Tegucigalpa, 6 Oct (DPA)— Foreign Minister Ernesto Paz Aguilar today reported that Honduras is willing to receive up to 6,000 Cuban refugees.

Following a meeting attended by Government Minister Efrain Moncada and General Immigration Director Angelina Ulloa, Paz Aguilar said that during the meeting they discussed immigration procedures and the reception of the Cuban rafters.

Paz Aguilar noted that "the Honduran Government is willing to receive them and give them temporary status so they can stay in our country. Later, a more long-term decision will be made."

He added that Honduran and U.S. Government officials are working on a memorandum of understanding to regulate the presence of Cuban refugees on Honduran territory.

Panama

Perez Balladares Denies Considering More Pardons

PA0710043994 Panama City EL PANAMA AMERICA in Spanish 6 Oct 94 p A-10

[Report by Aquilino Ortega Luna and Arnulfo Barroso Watson]

[FBIS Translated Text] President Ernesto Perez Balladares has emphatically denied he is considering the possibility of granting more pardons within the next few days. Government and Justice Minister Raul Montenegro has made contrasting statements on the issue, however.

A government source has told EL PANAMA AMERICA that several people have visited the Presidency in the last few days to request pardons.

Perez Balladares has recognized that not all the people who should have been pardoned were included on the last list of pardons and that perhaps many individuals, according to public opinion, did not deserve to be included on the list.

"I have listened to people who, interested in being included on the next list of pardons, have gone to the Presidency of the Republic to be considered, but I have no reports on new pardons being granted within the next few days," the source questioned by EL PANAMA AMERICA has stated.

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Argentina

Menem Congratulates Franco on Cardoso's Victory

PY0610163294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1541 GMT 6 Oct 94

[FBIS Translated Text] Buenos Aires, 6 Oct (NA)—President Carlos Menem today congratulated Itamar Franco, his Brazilian counterpart, on the elections held on 3 October. The Brazilian elections were won by Fernando Henrique Cardoso, the ruling-party candidate.

Menem told Franco: "We are very happy here over Cardoso's victory—which is also your victory—and over the huge consensus with which you leave the duties that were entrusted to you."

Menem later told Franco he would like him to visit Argentina, and reminded Franco that they will meet again in December in Miami during the Americas Summit called by U.S. President Bill Clinton.

Di Tella, Hurd Discuss Falklands, South Atlantic

PY0610145494 Buenos Aires TELAM in Spanish 2112 GMT 5 Oct 94

[FBIS Translated Text] London, 5 Oct (TELAM)—Douglas Hurd, British foreign and commonwealth affairs secretary, said today that Argentina is the United Kingdom's second largest market in South America. Hurd admitted, however, that the differences with respect to the sovereignty of the Malvinas Islands persist.

"He is an old friend," Hurd said, referring to his Argentine counterpart Guido Di Tella after meeting with him at his private residence. Hurd stressed their governments' interest in continuing to strengthen the two countries' bilateral relations.

Hurd recognized that "the differences in opinion over the South Atlantic and the Falkland Islands continue."

"We discussed various aspects of the different opinions," Hurd said, during a short meeting with local and international journalists.

Hurd agreed with Di Tella's proposal to convene a UN Security Council summit next January.

Hurd also agreed with the Argentine Government's idea to discuss various aspects regarding the future of the multilateral organization.

Di Tella, in turn, told EFE that the climate of mutual trust between Argentina and the United Kingdom is "much better" than the one that existed three years ago.

London and Buenos Aires reestablished diplomatic relations on 17 February 1990. The two countries broke diplomatic relations following a 74-day war over the Malvinas Islands between April and June of 1982.

Di Tella recognized that "our bilateral relations in matters not related to the South Atlantic are the best we have ever had," stressing the strong investments made by British companies in Argentina in the past few years.

With respect to the South Atlantic and the Malvinas Islands, Di Tella said that "each party maintains its position, and this meeting with Hurd is not definitive. It is one more step in a process that will continue," Di Tella added.

Hurd mentioned economic aspects. He said that Argentina is the United Kingdom's second market in South America, adding that a large volume of British exports is directed to this country.

Regarding the issue of oil exploration in the South Atlantic, Hurd said that the United Kingdom wishes to analyze mechanisms for cooperation with Argentina. With respect to fishing, Hurd recalled that there were provisional and temporary agreements in the past.

The British secretary said there are ongoing discussions on the future of that issue. "I have reasonable hopes regarding this topic," Hurd said.

Di Tella said that on the issue of the South Atlantic "each party maintained its position," expressing support for the idea of cooperating in order to find solutions to existing differences.

"We examined a cooperation formula, but we could not yet find an acceptable mechanism. More meetings will be necessary," the Argentine foreign minister said.

The technical cooperation between Malvinas inhabitants and the continent must continue, Di Tella said, warning that the Argentine Government will repress all illegal fishing in the area.

The two governments disseminated a joint communique at the end of Hurd and Di Tella's meeting.

In the document the two officials said that the two countries' High Level Group met for two days in London, and delegates exchanged a broad range of information on their respective proposals.

The two officials said that the delegations "agreed to continue considering the proposals and cooperation suggestions made by each party," adding that the meetings were held in a "cordial and constructive" climate.

The High Level Group was created to explore the effects of current laws on the continental platform announced by Argentina and the United Kingdom on 22 November 1991.

The meeting was carried out under the "umbrella" formula, which keeps all discussions on the sovereignty of the Malvinas, South Georgia, the South Sandwich Islands, and the waters surrounding them on hold.

This mechanism was established by the two governments in item two of the 19 October 1989 Argentine-British Joint Declaration.

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At the end of his meeting with the British secretary, Di Tella travelled to Portugal for a two-day official visit to that country.

Falklands Oil Exploitation Talks To Be Pursued

PY0610175394 Buenos Aires TELAM in Spanish 2339 GMT 5 Oct 94

[FBIS Translated Text] Buenos Aires, 5 Oct (TELAM)—Official sources reported today that Argentina and the United Kingdom will continue to negotiate the possibility of jointly exploiting oil around the Malvinas Islands. This was agreed during a luncheon attended by the foreign ministers of the two countries.

Nevertheless, Foreign Office sources announced in the United Kingdom that a joint venture project involving Argentine companies, headed by YPF [Government Oil Deposits], and British companies, headed by British Gas, face legal problems that must be reviewed by their respective governments.

The Foreign Ministry in Buenos Aires released a "joint communique" in which Argentina and the United Kingdom report that "a High Level Group [Grupo de Alto Nivel]," comprising technical commissions from both countries, met "for the fourth time" on 3 and 4 October in London to review the oil issue.

The communique notes that the High Level Group "was formed to investigate the impact of legislative measures on the continental shelf announced by Argentina and the United Kingdom on 22 November 1991, as well as the possibility of full cooperation on these measures."

The communique also explains that the meeting was held "under the umbrella of sovereignty" over the Malvinas Islands and adjacent territories as agreed by both sides. The communique adds that the talks were held within a "cordial and constructive atmosphere."

A high-level Foreign Ministry source indicated in Buenos Aires that Foreign Minister Guido Di Tella and Douglas Hurd, his British counterpart, met at Hurd's private residence in London and that "the meeting marked the end of this round of talks."

The source pointed out: "No significant progress was achieved, but it is important to point out that both sides maintained a very good attitude during the talks."

A difference was noted between the cordial atmosphere that prevailed at today's meeting and the nervousness that characterized the meeting in Buenos Aires in mid-July.

Nevertheless, the source refused to specify when another meeting would be held. The source admitted: "Within a few weeks—certainly before the end of the year—we will have news."

The source added: "Another meeting depends on a number of factors that cannot be accurately foreseen. It is important to emphasize that, unlike the July meeting, a willingness to achieve an agreement was specifically expressed."

The source pointed out: "The meeting between the two foreign ministers allowed a review of the political aspects of an agreement that is being favorably encouraged by the private sector. This agreement requires a firm decision by the two states."

Concerning the Argentine negotiators' position, the source confirmed that the Foreign Ministry is still willing "to cooperate within the framework of an agreement that contemplates a sovereignty protection umbrella so as not to establish a contentious area effecting the participation of risk capitals."

Menem, Duhalde To Unite for 1995 Reelection Bids

PY0610233594 Buenos Aires BUENOS AIRES HERALD in English 5 Oct 94 p 2

[FBIS Transcribed Text] President Carlos Menem and Buenos Aires Governor Eduardo Duhalde agreed to campaign together for their respective 1995 re-election bids, Media Secretary Guillermo Seita said.

He said Menem and Duhalde, who met last night at the Olivos presidential residence, would hold a series of joint rallies in coming weeks, the first to take place in the Buenos Aires district of Berazategui at an unconfirmed date.

Seita also denied the two leaders had discussed possible candidates to share the presidential ticket next year with Menem.

Duhalde earlier yesterday had denied rumours that he sought to hinder Tucuman Governor Ramon "Palito" Ortega's possible pitch for vice-president.

He described Ortega as an unexpected welcome gift for the ruling party, adding that the former singer "quickly learnt how to govern" and "has made the right moves in politics, to which he was an outsider."

"Ortega has been a godsend for the Justicialists in Tucuman and he is consolidating his position not only as governor but as a respected figure within the party," said Duhalde.

The ruler of Buenos Aires province—whose eight million voters account for 37 percent of the national vote—denied he was exerting pressure on Menem to choose any particular running-mate.

"I like them all," he said of the vice-presidential hopefuls, "but the media just have to pick a fight."

Duhalde also forecast his 61 percent plebiscite victory would be reflected in next May's presidential elections.

"Each day that passes, the huge differences between the electoral platforms of the Justicialist and other parties become more and more noticeable," he said.

As for his aim to run for president in 1999, Duhalde said it was a tough job for any second-time governor not to slip in the opinion polls.

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"Any governor who is unable to face two gubernatorial terms, wherever he might be, has no right to want to stand for president," said Duhalde.

Ortega, for his part, shied away from the publicity he is receiving as a possible candidate for vice-president, adding that he saw no reason why Duhalde should have any opinon on the matter.

"That decision is exclusively Menem's and to think otherwise is to underestimate his authority as president," Ortega said in a radio interview from Geneva where he is heading a Tucuman trade delegation.

Buenos Aires Vice-Governor Rafael Roma meanwhile said he had accepted an offer to run again with Duhalde, who won the right to stand for re-election with a massive plebiscite victory Sunday. "My future is next to Duhalde, like I've said so often," said Roma.

In Santa Fe the Justicialist Party upheld the request it presented to the Supreme Court to allow Governor Carlos Reutemann to stand for re-election.

In a paid ad published in local dailies the party indirectly rapped Presidential Chief-of-Staff Eduardo Bauza, who had suggested Reutemann give up his bid or risk an embarrassing court denial which could hurt the image of the party.

Cavallo Addresses Entrepreneurs in Madrid

PY0610161794 Buenos Aires TELAM in Spanish 2130 GMT 4 Oct 94

[Report by Alberto Lippi]

[FBIS Translated Excerpt] Madrid, 4 Oct (TELAM)—Economy Minister Domingo Cavallo stressed here today that the government will maintain the budget balance and will not relax its fiscal discipline. [passage omitted]

Cavallo spoke on the Argentine economic plan to bankers, entrepreneurs, government officials, and journalists at the IMF and World Bank Annual Assembly.

Cavallo spoke for an hour. He then attended the international assembly's official inauguration and departed for Genoa, Italy. He said the privatization program produced $24 billion and anticipated that present restrictions on imported cars will disappear by 1999. [passage omitted]

Cavallo said the decision to not call for the last two IMF disbursements (of the Expanded Financial Facility Agreement) has been interpreted as the consequence of disagreements with the IMF over the fiscal program.

"This is not true," Cavallo said, adding: "The program will remain unchanged and follow what is established in this and next year's budget." [passage omitted]

Here is a short summary of Cavallo's remarks:

—by 1977 Argentina may be declared free of hoof and mouth disease, which will enormously increase the possibility of selling meat abroad.

—fiscal revenues from privatizations totalled $24 billion.

—the next privatizations will use a concession system. They will include airports, the post office, nuclear power plants, the Mint, Petroquimica Bahia Blanca, and gas exploitation sectors.

—investments between 1989 and 1991 amounted to 15 percent of the GDP. The figure for private investments is 20 percent. A few points more can be added if we also count public investments.

—the reduction of company social security system contributions will be extended to commercial activities and services as of 1995.

—the public debt is 25 percent of the GDP and interest payments amount to less than 2 percent.

—the foreign debt is no longer the first fiscal problem, unlike in the 1980's.

—it is no longer possible to distinguish between the foreign and the domestic debt because the Argentine monetary system permits the use of any currency.

—capital goods imports increased by 75 percent between the first quarter of 1993 and the first quarter of this year. The purchase of consumer goods rose by 32 percent in the same period.

—during this period the export of manufactured commercial goods increased by 25 percent.

—the export of raw materials dropped prior to 1993 but has started to climb again.

—financial assistance to exporters will be increased through the Investment Bank and Foreign Trade Bank (BICE).

—by 2000 the internal saving rate will reach the rate of investments, which remains around 23 percent.

—by then the growth of Argentina's economy will no longer need foreign savings.

—the problem of unemployment must be solved with changes in labor regulations and greater flexibility

—the law on industrial accidents will be approved by Congress before the end of the year together with regulations for the Pymes [Small and Medium Scale Enterprises] and new contract rules to incorporate youngsters and people over 45 years of age who require special retraining.

—provincial elections will be used to remove any governors who are not efficient in public or social spending

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—Brazil's economic growth will create important opportunities for our exports and will allow the Mercosur [Common Market of the South] to operate more efficiently.

Cavallo Explains Nuclear Plant Privatization

PY0710005294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1851 GMT 5 Oct 94

[FBIS Translated Text] Genoa, Italy, 5 Oct (AFP-NA)—Argentina's Economy Minister Domingo Cavallo, who on 5 October was given an honorary doctorate by the University of Genoa, said during a news conference today that the future privatization of his country's nuclear power plants does not suppose an environmental or international risk.

The idea is to privatize the required "investments" and the "activity," but the operation will be regulated by "national and international" norms and will be controlled by a special office of the National Commission for Atomic Energy. Besides, purchasing companies will have "to pay a special tax" to this office, the minister said in Genoa.

Cavallo said that Spain and France had expressed interest in the nuclear power plants' privatization program. The minister added that in Italy, entrepreneurs are interested in joint-ventures or investments preferably at the level of small- and medium-scale enterprises. Cavallo travelled to Italy from Madrid last night and this morning had a working breakfast with Italian entrepreneurs and bankers.

Other topics mentioned by Cavallo during the news conference were the extradition of Nazi officer Erich Priebke, the economic plan's future, and the project for an Argentine platform [free zone] in Genoa's port.

Regarding Nazi officer Erich Priebke, who is under arrest in Bariloche and whose extradition has been requested by Italy on charges of having been responsible for the killing of 335 Italian citizens in Rome's Ardeatinas graves in 1944, Cavallo said he trusted "it will be granted because in the past the Argentine judicial system granted similar requests," but added that "it must follow a court decision on the matter."

The minister categorically rejected the suggestion that his economic plan, which made it possible to reduce the inflation rate from 22,000 percent per year (1989-90) to the current level of 4 percent per year, or the dollar-peso parity, could be in danger or near collapse as was mentioned in some circles.

"There is nothing artificial in the peso-dollar parity. The Central Bank has enough reserves to change all pesos into dollars," Cavallo said.

The minister then added: "What counts is not the economic power of a country but the rate at which productivity grows. Germany and Japan saw their economies destroyed by the war, but their currency recovered thanks to the increase in productivity, which improved a lot faster than productivity in the United States. Our strategy is to increase productivity," Cavallo added.

The minister appeared very optimistic with regard to the potential benefits for Argentina's exports of the recently created "Argentine platform" at Genoa's port. The platform will be a kind of free zone where Argentine exports, particularly food, will be reconditioned to meet the stringent European Community norms on labels and packaging, for instance.

Cavallo said that Argentine exports to Italy increased by 40 percent during the first five months of this year compared with the same period of last year.

It is expected that the platform will help Argentina's exports to Europe and other markets. It is also expected that the platform will stimulate regional economies, whose growth is also encouraged by a government investment plan in works of infrastructure such as roads and ports, the minister said.

Cavallo will depart for Zurich, Switzerland, today to meet with bankers and to present the scheme for privatizing the State Gas Company. Cavallo was honored at the University of Genoa, according to Law School Dean Giovana Visintini, because he managed to combine his experience as a scholar with political functions and he rehabilitated his country's economy.

The Argentine minister, who received the honorary doctorate from the hands of University Rector Sandro Pontremoli, was dressed—as appropriate for university members—with the black gown, the medieval hat, and the small ermine cape with blue satin bordering, the law school color.

Cavallo accepted the honor with a speech in which he evaluated his work and the Argentine economy and stressed that after these changes his country will enjoy "decades of growth with stability."

Brazil

Fernando Cardoso Opens News Conference

PY0610192194 Sao Paulo Rede Bandeirantes Television in Portuguese 1438 GMT 6 Oct 94

[Presidential Candidate Senator Fernando Henrique Cardoso's opening remarks before news conference with national and foreign journalists at the National Theater in Brasilia—live]

[FBIS Translated Text] Good morning. I want to take advantage of this, my first opportunity since the elections, to address foreign and domestic journalists, to thank you very much for the generous way in which you treated me throughout this campaign and for the understanding of the Brazilian people.

The information we have so far does not allow me to definitely say I have been elected in the first round,

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although everything indicates that this is the case. But I have undoubtedly won in the first round by a large number of votes. All the information we are receiving indicates that there will probably not be a runoff. I will therefore speak in my capacity as the candidate who has won the elections. As such, I want to thank the Brazilian people.

It should be pointed out that during the past few years democracy has become a Brazilian value. Based on my political, intellectual, and personal background, I have always upheld this value, and I am truly moved when I see it reasserted.

Once, while talking about another country, I said that Spain was fortunate in that the return of democracy coincided with the economic expansion process. This was not the case in Brazil. In Brazil the re-democratization process, which was very slow, did not necessarily go hand in hand with the expansion of its economy. A country like ours, full of injustice and social differences, which is busy reorganizing its institutions without expecting immediate benefits, is admirable in remaining loyal to this institutional reorganization and to democracy, regardless of the great difficulties the Brazilian people, or at least a large percentage of the people, have faced and continue to face.

I believe this is noteworthy. Freedom is a value that Brazilian society cherishes, and I believe it is our destiny to improve our democratic institutions because this is what the people want. If those who govern the country try to go against the will of the people they will fail. These elections have proven this.

We witnessed an abrupt change of government; the previous government [headed by Fernando Collor]. This is, as far as I know, the first time in history a Brazilian government has been interrupted. Although elected democratically, it was interrupted by the decision of a sovereign Congress and the support of the people. The government that stepped in headed by President Itamar Franco. It also has the support of the people, and was able to continue to restore democracy. What is more, it did so amid deep-rooted changes so that the people may one day realize that prosperity is also possible in democracy. We must ensure that this prosperity does not just benefit a few, that the majority must have access to the path of prosperity.

Voicing my gratitude, as I said at the start, for all I have seen in Brazil—I toured most of the country—and to so many who expressed their confidence and hope in me, to so many eyes that were often unable to conceal a certain tiredness but which shone in the hope that the country still has a future; and voicing my gratitude to these magnificent people, I want to say that President Itamar Franco knew and knows how to govern until the end of his mandate. His government, which at the start was very difficult—that was almost administered by Congress—did not shirk the basic problems.

I am delighted to be able to say to this impressive group of journalists that corruption, the evil sign of the past, has disappeared from the newspapers. The Federal Government, under the leadership of President Itamar Franco and his ministers, has never been charged by anyone with corruption and this is a great achievement. This has even made it possible to restore normal contact between the constituents, the people, and their leaders. What is more, we were able to change the course of our economy, which had been gnawed by inflation, thanks to measures taken by a very competent economic team, whom I greatly thank. I want to thank those who, at the difficult moments, joined me and President Itamar when there was no hope of defeating the evil that was ruining our future, but joined us nevertheless. Thanks to this team the government was able to take a safer path toward the stabilization of our economy. The economy cannot be stabilized with technical measures alone. In order to stabilize it, the president had to extend his support at all times—I reiterate, at all times—to those who are trying to make innovations in the Brazilian course. I am personally indebted to President Itamar Franco for the confidence he showed in me, not only in appointing me to the Foreign Ministry, but also by designating me in a bold gesture to the finance portfolio, in which he steadily supported me, as he has supported those who succeeded me through the present moment.

President Itamar Franco was aware that a government faced with the challenge of maintaining the democratic institution needed to tackle the great national issues and could not do so without fighting inflation and giving the country the goal of economic growth and a future.

We began to grow again in 1992 with an annual figure of 4 to 5 percent. This is not insignificant. We resumed growth, we started to moralize the public sector, and we began to curb inflation.

It will be up to the new government, once it is installed on 1 January. Any rumors that may be spread until then regarding government guidelines, cabinet composition, or ideas disclosed by aides are groundless rumors because, although Senator Fernando Henrique has advisers in the Senate, and candidate Fernando Henrique had advisers during the campaign, if—as I expect—the election of President Fernando Henrique is confirmed, he has no adviser- designate. He will tell the country in a responsible manner who will be the members of the cabinet, what project the government will carry out. He will devote the coming months to those projects.

The coordination of the subjects of our campaign is not carried out to deceive the constituents; it is being carried out to establish guidelines. This coordination, and the steps to be taken, will be established in detail in these coming months so that the next administration may be consistent. I want to thank those who supported me, my party—the PSDB [Brazilian Social Democracy Party]—through PSDB President Joao Pimenta da Veiga, who is present today. He has done a very good job leading the party and organizing things. I also want to thank former PSDB President Tasso Jereissati who got the campaign under way.

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I want to thank those who understood from the very beginning that a course had to be set for Brazil, that we had to join efforts regardless of our previous positions and partisan interests. Thus, I would like to thank the PFL [Liberal Front Party] leaders, who are also present today, for their help during my campaign.

I would also like to thank the PTB [Brazilian Labor Party], whose President Jose Eduardo Vieira willingly gave up his candidacy to join the team that supported me.

I thank Senator Guilherme Palmeira, who was chosen to run for vice president on my ticket and who resigned in a display of greatness, although there was nothing at all against him, to clear the way for me. I thank Senator Marcos Maciel, my vice president, for having accepted the nomination at a time when our coalition had to make difficult political decisions.

It would be unfair of me not to thank the other political parties who participated in this trek. The truth is that this was a voters election. The voters were truly free to choose this time, and they did just that. The idea that this elections could have been manipulated did not come true. In a country like ours—which has 94 million voters and more than 150 million inhabitants—a country that managed to overcome an autocratic system to become a democracy, a country that has endured a great deal of social injustice and yet maintains its faith in democracy, can hardly be manipulated. The voters know this. Those who failed to understand this deluded themselves. Those who believed that, at any stage of the decision-making process, it would be possible to deceive and manipulate the voters, lack imagination and faith in the people of this country. The voters freely and decisively chose the course they want.

The vote count is still under way, but I want to say at this point that the behavior of the Superior Electoral Court [TSE] has been very proper. I am the right person to make this judgment because I was repeatedly criticized, and attempts were even made to prevent me from talking about the real plan. That was quite ridiculous. In any case the TSE behaved very properly, and the vote count is open to TV scrutiny. The vote count may be sluggish; it may be old- fashioned, but it is honest. Considering all technological limitations, the vote count is being done as openly as possible. I now await the announcement of the TSE and its president to enthusiastically address the country and convey to the people my joy and my gratitude.

I also have a few words for the press—meaning the news media in general. There can be no democracy without press, without a free, active press. This frequently upsets one. Whenever I got upset I tried to make sure the people did not notice. I tried to maintain cordial relations with all news media, regardless of whether I was leading the opinion polls or not. I have not done so out of courtesy alone, but because I also believe reporting plays an essential role in democracy. Sometimes the attacks are too severe, maybe unnecessarily so, and we will discuss this in the future, but information cannot be withheld, and the freedom to criticize must prevail. The sharpness of some remarks is more than compensated by the knowledge that this sharpness is the result of freedom; it is not a reaction to restrictions. I am grateful that throughout this campaign, which lasted several months, I have received no complaints about the press entourage that followed me everywhere, despite the freedom with which they discharged their duties.

I want to thank those against whom I competed in this election. I thank them all and let us await the final verdict of the TSE because I do not want to jump the gun. I thank everyone, even those who at times felt perhaps animosity or resentment, rightly so in some cases. The ballot box is cruel. Anyone who has been defeated will tell you this. The ballot box is cruel, yet truthful, as people should be.

Some of our major leaders, whose life I respect, experienced moments of intemperance. This is understandable. This is understandable. Yet the general trend of their life prevails over their moments of intemperance. I refer to Leonel Brizola. He has built his own life. He has his merits, and I will not fail to recognize his life, his past. I thank him for his participation.

I thank him for the participation of those who might be less known. I thank him as a person who is a leader in my state even though we have never been very close. He participated and criticized, as is normal.

Above all I would like to acknowledge the behavior of my closest—I was going to say adversary, but he is no longer an adversary—he is a leader, Lula, who maintained the campaign within reasonable limits.

I believe this campaign left a mark in Brazil, a mark that shows that it is possible to debate, disagree, quarrel, reach a limit—at a political level—about bothersome issues, yet allow a flow of ideas, programs, alternatives. Brazil needs this. Brazil needs competition at this level.

I do not want to go any further with my thanks, which I express with all my heart; I do not want to boast or refer to the behavior of the contenders.

I just want to conclude these few words and answer your questions by reiterating that I am here to pay tribute to the press, to the Brazilian public, by saying that he who won the first round of the election, and who will probably win the runoff, has no reasons to hide. He just wants to rest for a couple of days—although helicopters have made this almost impossible.

I wanted to say this, at a time when I feel moved, sincerely moved. I would like to say, considering my theoretical and intellectual training—I never ceased to be an intellectual and never will—I would like to say that I believe today, that anyone whose judgment does not surpass everyday routine matters will be unable to lead a large, important nation like Brazil.

I wanted to say that I ended the campaign with the same idea with which I began it, namely, that Brazil is a great country.

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We may have yet to discover the dimension of Brazil in the world of the future, in the next millennium.

All of us Brazilians are responsible for leading this country in a democratic and firm way, seeking to attain more equality, promoting economic growth, improving the distribution of wealth, and promoting a more active international presence. A country in which our slogan should be pride without arrogance, a country of which we can say that we like.

At the place where I was staying yesterday, I saw a movie starring [Brazilian singer] Caetano Veloso. To speak of Caetano is to speak of the entire cultural world, of those who gave their prestige to me, and of those who did not vote for me but to whom I should give my own prestige, if I can, because their prestige is sometimes much higher than mine.

At the end of the movie, Caetano said some very moving things. He said he felt, despite being personally skeptical, that he believed Brazil had something important, something different to offer the world.

Difference does not mean antagonism, it means peculiarity, it means one's own idiosyncrasies. We each have our own way of doing things.

I have always said this to the PSDB. We must have our own style.

Today I am not talking like the PSDB. Considering the number of votes that I received, I am talking like the potential Brazilian president, like someone who feels intimately associated with Brazil.

As Caetano Velhoso said, it is important to recall that we can contribute something that is deeply ours, with simplicity, and not with the arrogance of the time when we wanted to transform Brazil into a power at a pace set by the sound of drums. We can transform Brazil into a nation that is liked, that is respected because of what Brazilians do, because of the artistic creation of Brazilians, because of our political capacity to engage in dialogue, because of our capacity to produce, and to continue to make our economy grow.

I believe we are close to being able to say to the world—I reiterate, without arrogance—that we have overcome our difficulties, that we will overcome them. Our main difficulty is social inequality, and I will devote my time to it, to reducing social inequality. Our main difficulty now is injustice.

I have already said a phrase that I repeat here: We already are a developed country. We are the world's 10th economy, with huge injustice. A country with all this, and with singers saying with such simplicity—as Caetano says—that what we are must become united.

A president of the Republic must unite. To unite does not mean to quash disagreements. It does not mean to cut people off, but to discover convergent paths for basic issues. In the pursuit of these convergent paths, I will never quit my beliefs. I will always respect other people's beliefs. I will continue to be the professor I have always been. I will therefore continue to be a man open to dialogue—with firmness.

It is not possible to govern Brazil without making decisions—even if they are isolated. A man who does not take leadership responsibilities at a given time cannot become president of the Republic. Nevertheless, a man who does not understand that leadership does not mean autocratic imposition, but charting a course that is directly perceived by this country, cannot become president of the Republic, either.

If I become, as I hope, president of the Republic, I want to use this opportunity to thank the Brazilian people and ask for support, for everyone's support, without exception—and say that I will enter, if I do, the palace with great hope. Not for the sake of entering a palace, but for feeling that palaces nowadays either closely listen to the people of the streets, or else become vacant houses. Many thanks. [applause]

65 Percent of Votes Tallied; Cardoso at 54.7 Percent

PY0710025094 Sao Paulo AGENCIA ESTADO in Portuguese 0137 GMT 7 Oct 94

[FBIS Translated Text] The following is a Superior Electoral Court bulletin on presidential election results from 186,626 tallied electoral districts, equivalent to 65.8 percent of the total votes. It was released today at 2231 [0131 GMT 7 October]:

Fernando Henrique Cardoso	23,089,897 votes	(54.7 percent)
Luiz Inacio Lula da Silva	11,151,751 votes	(26.4 percent)
Eneas Carneiro	2,951,588 votes	(7.0 percent)
Orestes Quercia	1,993,754 votes	(4.7 percent)
Esperidiao Amin	1,435,149 votes	(3.4 percent)
Leonel Brizola	1,209,549 votes	(2.9 percent)
Carlos Gomes	233,413 votes	(0.6 percent)
Hernani Fortuna	143,008 votes	(0.3 percent)
Null votes	4,795,988 votes	(11.4 percent)
Blank votes	4,712,230 votes	(11.2 percent)

Governors Elected During First Round in 10 States

PY0710020094 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 6 Oct 94

[FBIS Translated Excerpt] [passage omitted] The Superior Electoral Court, TSE, expects to have 75 percent of the votes tallied by the evening of 7 September. The gubernatorial election will be decided in 10 states during the first round: Alagoas, Amazonas, Ceara, Mato Grosso, Mato Grosso do Sul, Pernambuco, Tocantins, Rio Grande do Norte, Rio Grande do Sul, and Parana. There will be runoff elections in 17 states. Free electoral

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time for the runoff elections will extend from 24 October to 12 November. Candidates will be entitled to 30 minutes daily: a 15-minute bloc in the morning and another 15-minute bloc in the evening. Elected candidates will receive their respective accreditation documents on 19 December.

The vote tally in the gubernatorial elections continues to be slow, yet the process has already concluded in four states.

The Superior Electoral Court has already counted 99.1 percent of the votes for governor in Mato Grosso and 95.02 percent in Parana. In Mato Grosso, Dante de Oliveira [Democratic Labor Party—PDT] obtained 71.26 of the valid ballots and Osvaldo Sobrinho [Brazilian Labor Party—PTB], 25.29 percent. In Parana, Jaime Lerner [PDT] obtained 54.99 percent of the valid ballots, while Alvaro Dias [Popular Party—PP] obtained 38.42 percent. The vote count has thus far concluded in four states.

In Alagoas, Divaldo Suruagy [Brazilian Democratic Movement Party—PMDB] is leading the gubernatorial race with 78.88 percent of the ballots; Pedro Vieira is second with 10.35 percent. In Amazonas, Amazonino Mendes [Progressive Renewal Party—PP] has 63.76 of the valid ballots, followed by Nonato Oliveira [Liberal Party—PL] with 29.99 percent.

In Bahia, Paulo Souto [Liberal Front Party—PFL] is leading the election with 49.40 percent, and Joao Durval [National Mobilization Party] has 26.10 of the valid ballots.

In Minas Gerais, Helio Costa [PP] has 49.85 percent of the valid ballots, while Eduardo Azeredo [Brazilian Social Democracy Party—PSDB] has 25.53 percent.

In Pernambuco, Miguel Arraes [Brazilian Socialist Party] is leading the race with 54.98 percent of the valid ballots, followed by Gustavo Krause [PFL] with 32.73 percent.

In Rio de Janeiro, Marcello Alencar [PSDB] has 35.20 percent of the valid ballots, while Anthony Garotinho [PDT] has 33.50 percent.

In Rio Grande do Sul, Antonio Britto [PMDB] has 50.98 percent of the votes while Olivio Dutra [Workers Party—PT] has 31.93 percent.

In Sao Paulo, Mario Covas [PSDB] has 46.90 percent of the ballots, while Francisco Rossi [PDT] has 21.76 percent.

In Tocantins, Siqueira Campos [Christian Democratic Party] is leading the race with 56.93 percent of the ballots, while Joao Cruz [PMDB] has 38.53 percent.

Tentative Breakdown of Senate Seats Outlined

PY0710024594 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 6 Oct 94

[FBIS Translated Text] The list of senators-elect is almost complete, and political parties are beginning to make calculations to determine how many Senate seats they will hold. In this election, 54 Senate seats—which accounts for two-thirds of the Senate—will be filled.

For the time being, the winners of 46 seats have practically been confirmed. The Brazilian Democratic Movement Party will elect 12 more senators; the Liberal Front Party, 9; the Brazilian Social Democracy Party, 8; the Popular Party, 4; the Democratic Labor Party, 4; the Workers Party, 3; the Progressive Renewal Party, 2; and the Liberal Party, the Brazilian Labor Party, People's Socialist Party, and the Brazilian Socialist Party, 1 each. It is still not known which party will take the eight remaining seats.

Ministers To Lose 'Their Current Autonomy' Under Cardoso

PY0610141694 Rio de Janeiro JORNAL DO BRASIL in Portuguese 5 Oct 94 p 6

[From the JB Column by Teodomiro Braga]

[FBIS Translated Text] Ministers will enjoy less autonomy during the Fernando Henrique Cardoso administration because he intends to centralize power in the Presidency of the Republic and exercise it with all its prerogatives.

"I will really command. The people are voting for me to really exert power, I will not delegate it to the ministers," said the future president during a dinner with friends on 1 October in Rio de Janeiro.

The role for the ministers established by Cardoso is far more limited than that currently enjoyed. They will only execute previously determined policies, losing their current autonomy.

During the Cardoso administration the Presidency of the Republic will design the government policy, which requires the creation of a Coordination Secretariat.

The new post, one of the most important in the new administration, will probably be held by either Pimenta da Veiga, Paulo Renato de Souza, Sergio Motta, or Luis Eduardo Magalhaes.

One of the main PSDB [Brazilian Social Democratic Party] strategists said: "During the Cardoso administration, no minister will negotiate with any bank without direct monitoring by the Presidency of the Republic."

Amorim Seeks Support for Permanent Seat on UN Council

PY0610135294 Sao Paulo GAZETA MERCANTIL in Portuguese 29 Sep 94 p 2

[Article by Getulio Bittencourt from New York]

[FBIS Translated Text] After launching Brazil's official candidacy for a permanent seat on the UN Security Council, Foreign Minister Celso Amorim has already obtained clear support for his proposal and held two

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promising meetings. In his speech, Portuguese Foreign Minister Jose Manuel Durao Barroso openly supported the inclusion of a Southern Hemisphere country—Brazil—on the UN Council, in addition to Japan and Germany.

Other expressions of support could be discreetly seen during Amorim's talks behind the scene. The first of such talks was held with Canadian Foreign Minister Alain Jupre. Jupre told Amorim that he agreed with the contents of the speech Amorim delivered at the opening of the 49th UN General Assembly on 26 September.

The Brazilian premise asserts the need to make the UN Security Council politically legitimate by including the views of the developing countries, particularly because 95 percent of the decisions reached therein refer to the developing countries. The PRC and Russia—in view of their ethnic, political, and regional peculiarities—do not represent the developing countries very well.

The problem, the Canadian foreign minister said, does not lie in the general principle, but in the selection of a country. Amorim explained that in the world of today it is impossible to ignore the international significance of Brazil. In a good mood, Jupre laughed but did not disagree.

The points that were emphasized by Amorim are the fact that Brazil has the world's second longest borders—second only to Russia—and that for 120 years it has not engaged in a war with its neighbors. Furthermore, it has the world's 10th largest economy and some independence in its foreign trade, which involves all other regions rather than a single one: Europe accounts for 26 percent of Brazil's foreign trade, Latin America for 24 percent, the United States for 20 percent, and Asia for 16 percent.

As for his contacts with the Chinese foreign minister, Amorim said that he could not disclose the subject, but would report the beginning and the end of the conversation. At the beginning he said to his Asian counterpart that he often recalls an Asian saying that goes: "A picture is worth a 1,000 words." At the end, after listening to the Chinese answer, Amorim concluded: "For me, this is a case in which one word is worth a 1,000 pictures."

Amorim did not specify the conclusions reached, as is befitting with the enigmatic Chinese. Yet in his international contacts—before addressing the United Nations General Assembly—Amorim discussed the increase in the number of permanent Security Council members. German diplomats, for example, told him that Brazil and Germany have common interest in this regard.

In diplomatic jargon, this commentary might mean that "if you support us, we will support you." The Brazilian foreign minister's impression is that the German diplomats realize that the presence of a developing country like Brazil adds more legitimacy to their own presence on the Security Council.

Australian diplomats, for their part, also told Amorim that Brazil should have a permanent seat on the Security Council. Amorim emphasized Australia's major political weight within the United Nations. The Brazilian foreign minister believes that the position of Japanese diplomacy is becoming increasingly close to that of the Germans, with the idea of giving more legitimacy to the expansion of the Security Council, an issue that could end up favoring Brazil.

The matter was also in the agenda for the meeting Amorim would hold with the UN secretary general, the Egyptian Butrus Butrus- Ghal. Amorim recalled that Brazil also has an important position of acting as a bridge between the developing countries and the Western values that are in their culture and currently prevail worldwide.

During the Eco-Rio meeting on the environment, Brazil headed the drafting committee, as it was entitled to, being the host country. In the most recent conference, which was held in Vienna, Brazil was also summoned to mediate conflicting positions within the drafting committee.

The foreign minister sees no reason for jealousy among the Latin American countries regarding Brazil's candidacy. Amorim hopes to obtain more support for his country's candidacy. Brazil has more possibilities in the region, which combines several cultures (Latin, Western, and African), because it has a very large and varied population.

Environment Satellite Built With PRC To Be Launched

PY3009164694 Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 Sep 94 Section 1 p 5

[Article by Sergio Torres]

[Text] The governments of Brazil and China have agreed to launch a jointly built environmental monitoring satellite in 1996.

The 1,400-kg satellite, whose useful life will be two years, will overfly the Amazonian region, one of the areas that will be studied by the two countries.

The cost of the project is of $150 million. Under the terms of the agreement, Brazil will pay one-third of this amount.

Roberto Pereira da Cunha, director of the institutional relations department of the Inpe (National Institute of Space Research), said that "the Brazilian satellite will fill a vacuum in the market, because the U.S. satellite is obsolete."

Inpe has listed 8,000 clients who will purchase the images transmitted by the new satellite.

The clients are farmers and researchers who are currently purchasing the images that Inpe produces with information supplied by a U.S. satellite.

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Chile

Insulza Refuses To Hand Installations to Peru Without Accord

PY0610170694 Santiago EL MERCURIO in Spanish 24 Sep 94 p C5

[FBIS Translated Text] Foreign Minister Jose Miguel Insulza emphatically stated yesterday that Chile will not hand over the installations built for Peru in Arica until the Lima Convention is ratified, or while there are chances the agreement will not prosper.

Insulza thus answered reports from Lima that Chile must hand over the ports, customs, and railroad facilities in Arica Bay.

The executive board of the so-called National Patriotic Board [Junta Patriotica Nacional], which is headed by retired Ambassador Hugo de Zela, a few days ago demanded the complete fulfillment of the 1929 Treaty. The board praised the Peruvian executive branch's decision to withdraw the Lima Convention from the Democratic Constituent Congress (CCD).

The installations are finished but have not been handed over because there are no regulations on how they will be administered. Agreements on this are contained in the Lima Convention, which has yet to be ratified.

Asked about Peruvian demands that Chile hand over the facilities, Insulza said he had no real details about the proposal and that he wanted time to study it.

The foreign minister recalled that before to the negotiations that produced the Lima Convention, a call was made for Chile to directly hand over the works, among many other things. Insulza said the government is willing to assess any proposal, but stressed that this does not imply any decision on the content of the proposals.

The minister said: "We will look into every possibility, but our current position is that we are awaiting the ratification of the Lima Convention.... The installations were completed a long time ago. Of course we will not change our minds until the Lima Convention is ratified and while this possibility is still open.

Insulza also referred to an agreement between the executive branch and the U.S. Congress to extend the General System of Preference (GSP) for another nine months. This favors Chile, which exports $300-million worth to the U.S. market under this system.

The foreign minister said this is very encouraging. He commented that the government awaits the sending of Clinton's initiative to Congress next week.

Insulza will go to New York this evening to attend the 49th UNGA period of sessions. He said he will raise the subject of Clinton's decision to withdraw from Congress his request for a "fast track" [preceding two words in English] to negotiate trade agreements.

He said this will be discussed when he meets Alexander Watson, U.S. assistant secretary of state for inter-American affairs.

Insulza said: "The delay surprises us. We do not think it is good to delay negotiations. However, we are aware that there is a U.S. domestic process which the people find hard to understand because our system has nothing like the "fast track."

This morning the foreign minister was visited by U.S. Ambassador Curtis Kamman who came to officially bid farewell prior to his return to the United States in mid-October. Kamman will be replaced by Gabriel Guerra, who is from Puerto Rico, once his appointment has been ratified by the U.S. Congress.

Insulza announced that following the withdrawal of the Brazilian candidate, Chile supports outgoing Mexican President Carlos Salinas de Gortari as president of the World Trade Organization, which will be created on 1 January 1995 when the GATT Uruguay Round agreements go into effect.

Results of PPD Internal Elections Viewed

94P21238A

[FBIS Media Note] Several recent articles in the Chilean press comment on the results of the Party for Democracy (PPD) internal elections, which were held on 4 September. As expected, Jorge Schaulsohn (currently the president of the Chamber of Deputies) won the race for the party presidency, while "surprisingly," the 5 September LA NACION reported, the secretary general post was won by Patricio Hales, a member of the faction led by Public Works Minister Ricardo Lagos. Hales defeated Jose Auth, who belongs to the faction led by former Minister Secretary General of Government Victor Rebolledo. The four new vice presidents are Erich Schnake (Lagos faction), Victor Barruetos and Martita Woerner (Rebolledo faction), and Guido Girardi (Schaulsohn faction).

In his remarks after the initial results were known, Schaulsohn called his victory "overwhelming," but regarding Rebolledo's implied defeat said, "here there are no losers or winners" because voting was for individuals and not lists. He said that Rebolledo's cooperation "is fundamental for my presidency." During the voting, Schaulsohn announced that the PPD's priority would be "to close ranks around the government of President Frei" and that "the fundamental task will be, along with the other parties, to strengthen the Coalition [of Parties for Democracy]."

Regarding outgoing PPD President Sergio Bitar, Schaulsohn stated that "there is no power vacuum in the PPD and it has been very well led during this time." The article noted that the only negative aspect of the elections was that the "tradition" of abstention continued, as only about 30,000 of the 97,000 registered members

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voted, although this marked an increase from the 24,000 who voted in the previous elections.

Another article in the same issue of LA NACION noted that one of the challenges facing the new PPD president is how to rise above factionalism. Schaulsohn and Rebolledo have a history of disputes and rapprochements going back to their membership in the Revolutionary Radical Youth. "Sources close to both," said the article, see a political agreement between them as "imminent" and "essential" to the future of the party.

Lagos, in a 12 September EL MERCURIO interview, evaluated the elections as a "healthy democratic exercise" and said that "our adversaries" are not "within the party" but are "outside." In addition to the secretary general post, the Lagos faction won one of the four vice presidential posts and "significant representation" in the national governing body. Lagos said: "It is true we were successful. We are happy, but it would also be very unjust to assume that factions that had different electoral results do not share our same goals." He stressed that in spite of the hard-fought election campaign, there is a high degree of consensus in the party, especially on fundamental issues such as strengthening the Coalition, making space within the Coalition for the PPD as well as the Socialist Party (PS), and making the current government stronger. Lagos said: "The country would not understand any party that gambled on breaking up, or breaking away from, the Coalition." He emphasized the need for "understanding and joint effort" among the Coalition members, and hoped that "the Coalition will continue beyond this government."

For his part, outgoing PPD President Sergio Bitar said in an interview in Santiago LA NACION on 4 September that he was satisfied with having doubled the party's representation in Congress and developed a declaration of principles and new statutes during his term. He listed the tasks that remain to be done as developing a strategic sense and a vision of the future and setting an example through personal behavior. "There is no risk the PPD will collapse," according to Bitar; its current situation simply reflects the modernization of the country. He admitted that he had differences of opinion with Schaulsohn but said "my support for Schaulsohn is solid." Regarding the climate within the Coalition, Bitar said that an environment is being created that "has nothing to do with what is really happening in the Coalition," and that opposition leaders' statements show "an attempt to create divisions where they really do not exist." Bitar defined unity as "clarity of common proposals, loyalties, and joint action to obtain effective results," without limiting "open debate."

Colombia

Pardo Says Relations With U.S. 'Cooled'

PA0710011994 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 7 Oct 94

[Report by Liliana Gutierrez; from the "24 Hours Newscast"]

[FBIS Translated Text] Foreign Minister Rodrigo Pardo said today Colombian-U.S. relations have cooled. There is an atmosphere of mistrust due to the statements made by Joe Toft. It is essential for the United States and Colombia to regain confidence in bilateral relations, said Foreign Minister Rodrigo Pardo upon arriving from New York. He said the statements by Joe Toft, the former DEA director in Colombia, not only affected our country but also affected the United States:

[Begin Pardo recording] We must correct the problems resulting from the damage caused to the image of our country and the mistrust that may adversely affect cooperation. I believe Colombia and the United States can jointly analyze the situation and make the changes that must be made, if necessary. [end recording]

Next week will begin the process to analyze what has been done with the DEA, and the necessary adjustment will be made so as to avoid incidents similar to the one which occurred last week.

Foreign Minister Pardo hopes the dialogue can be conducted in a friendly and coordinated matter with the United States.

Comments on UN Participation

PA0610195694 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 6 Oct 94

[Telephone interview with Foreign Minister Rodrigo Pardo in New York City by Victor Alarcon in the station's studio; from "Caracol's 0600 to 0900" newscast—live]

[FBIS Translated Text] [Alarcon] How are things in New York this morning?

[Pardo] Fine, Victor. Fortunately, everything is going fine.

[Alarcon] Is it cold in there?

[Pardo] The temperature has dropped somewhat, but autumn is still very pleasant here. The sky is completely clear, and in spite of the drop in temperature, the weather is very pleasant.

[Alarcon] Let's talk about Colombia's proposals at the UN General Assembly.

[Pardo] I think President Samper's proposals have been very well received. The idea of seeking an alternate means of development is valid not only for Colombia but also for many other countries. Yesterday, during one of the meetings I have been holding with foreign ministers from the Nonaligned Movement [NAM] countries, one minister told me that the ministers' agenda had been arranged by President Samper [words indistinct] because many countries see this new model or alternative as necessary. The possibilities for international cooperation

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to make this model viable is gaining ground. This alternative is being viewed with interest and is gaining ground.

[Alarcon] When will Colombia assume the NAM presidency?

[Pardo] Yesterday there was a meeting of the ministers [words indistinct] when the Movement's summit meeting will take place in Cartagena. This meeting will be attended by heads of state from the 113 member countries and by observers from other organizations.

Colombia will lead the NAM for three years after the summit. This will give our country the opportunity to get to know 113 countries better, a high percentage of which have practically no relations with Colombia, considering that trade relations between those countries and Colombia are not significant, that there is no embassy, and that, practically speaking, there is no relationship. Now we will be able to get to know those countries better and to strengthen ties, thus creating possibilities for chiefs of state to visit Colombia and for the Colombian president to visit some of them. This will be a window that will move Colombia closer to other countries. In the context of the country's foreign policy, this will be very important.

[Alarcon] Is there any particular position to be presented at the Miami summit?

[Pardo] We have been working hard on this. I have met with several government officials from the United States and other countries. There is interest in giving the Americas, as they call the American continent, a new identity in the context of the new international order.

This is a good time for assessing America, the role it must play in the world, and how we can strengthen relations that in the past were dependent on the struggle against communism and on strategic considerations that have been fading.

Colombia believes this summit will be a historic opportunity. We think this idea of President Clinton's is very positive. We are particularly interested in two main issues: the social issue and money laundering.

Officials from both the United States and other countries have welcomed the proposed issues.

[Alarcon] One last statement before you go to work this morning, Mr. Minister. [words indistinct] spoke to the United States about the need to restructure the DEA's cooperation and activities in Colombia. Has there been a response from the U.S. Government?

[Pardo] I have held some talks, which I would call informal, to discuss as of next week the conditions under which the DEA may carry out [words indistinct] cooperation with Colombia. The idea is to work in a joint, friendly manner and to review working conditions to avoid a repeat of incidents such as those of last week, which seriously harmed Colombia's image and the way Colombia is viewed abroad.

[Alarcon] Have you noticed any reaction in the UN corridors or in the diplomatic world?

[Pardo] No. The truth is that the matter has not had significant repercussions at the international level. In the United States, only a few media sources gave it coverage. At the diplomatic level, the issue was never mentioned in any of the more than 30 meetings I have held in recent days with foreign ministers.

[Alarcon] Thank you.

[Pardo] Thank you, Victor.

Congressman: DEA Interfering in Drafting of Laws

PA0610193294 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 6 Oct 94

[From the "National Newscast"]

[FBIS Translated Text] It was learned today that the DEA did anything it pleased in our country. The DEA even tried to interfere in the drafting of laws by Congress. A congressman stated that the DEA was trying to interfere with the process when penalties against corruption were being discussed.

[Begin Representative Jairo Arturo Romero recording] One of the sponsors of the bill received a call from the U.S. Embassy. He visited the embassy assuming that the call was regarding visa problems. There, he was approached and briefed on what the U.S. Government thought was the right course for this legislative process. U.S. Embassy officials have also come to Congress to ask for information and obtain the list of representatives and their addresses. We ignore the reasons behind such behavior. We hoped that once we told this to the justice minister, the government would issue a statement. However, two or three days have passed and the government has not made any statement. It is necessary that the country knows that, after Haiti, Colombia is experiencing an invasion of U.S. agents in our Congress. [end recording]

The government has still not made any statement regarding the presumed U.S. pressures, but it insists that the law, as it stands, helps corruption and the use of front men remain unpunished.

Botero Said Making 'Favorable' Impression

94CA0182A Santa Fe de Bogota SEMANA in Spanish 13 Sep 94 pp 44-45

[FBIS Translated Text] The beginning of Defense Minister Fernando Botero's term in office proves that the Defense Ministry has been turned into the best political platform in the country.

When Fernando Botero told his father, the painter, that he wanted to be defense minister, his father thought that

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he had gone mad. Having been general coordinator of the election campaign of President Ernesto Samper, Botero could have chosen whatever ministry he wanted. Under such conditions most people would generally choose the post of minister of foreign affairs, a position which has a good image, a good staff, and few political risks. Botero's father could not understand what interest his son could have in assuming responsibility for public order in a country which practically lives in a state of war. Handling generals seemed like a science which was probably unknown to a good son the age of an Army captain. Not to mention the problems of personal security which the post of defense minister brings with it. To his father and to all of those who expressed surprise at his selection of such a cabinet position Botero said that he had thought a great deal about his decision and that he had studied the matter carefully.

All of those closest to him now understand what he meant. Botero, a man of great ambition, had appreciated that the Ministry of Defense was by a long way the best political platform in Colombia. In a country where everything is discussed in terms of public order, the young politician discovered that all roads lead to the Defense Ministry. And if Rafael Pardo, a man who is not particularly ambitious, rather introverted, and not given to saying much and who never sought the post, wound up becoming a figure of presidential stature because he was defense minister, what would be the potential of that ministry in the hands of a man with presidential ambitions and political scope and who is also a professional communicator? This was the card which Botero bet on, and the results have shown that he was right—and then some.

Since 7 August Botero, in one way or another, has been involved in all of the subjects which cabinet ministers concerned with the communications media deal with. He was directly involved in the murder of Manuel Cepeda Vargas, the communist senator. He was also concerned with the case of Colonel Velasquez, the soldier who was a victim of sexual blackmail by a narcotics trafficker. This matter had not yet been concluded when the reform of the police in Cali became news. Immediately afterwards came the debate on human rights, followed by the purge in the police force and the face to face conflict between the four musketeers and the Defense Ministry over the procurement of Galil rifles.

As if all of these real situations did not amount to much, Fernando Botero is an expert in handling the communications media and is aware, as few others are, that contemporary politics require something like a show business touch. In a helicopter flight with Michael Howard, the British secretary of state for the home department, the passengers in the aircraft were informed, all of a sudden, that two cocaine laboratories had just been discovered beneath them. This made the imperturbable British official feel that he had just entered the world of James Bond. All of the evening news programs reported Howard's astonishment at the efficiency and boldness of the Colombian government and of the young minister, who questioned workers at the laboratory while the flames behind him were burning the cocaine.

Botero attended the debate on Galil rifles in the Chamber of Representatives with a group of 20 female noncommissioned officers who went through the chamber showing the weapons to everyone present. On the following day the front page of EL TIEMPO carried a large photo in color of Botero holding a Galil rifle in his hands as a sharpshooter would. On that same evening all of the television programs opened with pictures of Botero's two, adorable children dressed as soldiers, accompanying their father at a ceremony where he reviewed a detachment of troops. This third generation of the Botero family, making statements before the television cameras, was a better box office attraction for television viewers than their grandfather, the painter, or their father, the defense minister.

But Botero is not only show. He also has a great deal of substance. It is a curious fact that, although he never served in the armed forces, his personality has always had something of the soldier about it. He is a completely methodical and disciplined person who studies all subjects in depth until he fully understands them. Before taking office as defense minister he had already read the biographies of the great military leaders of history. Colombian generals, at first a little skeptical about his youth and apparent inexperience, have been surprised at the knowledge which he displays in any discussion and the authority which he reflects. His mental processes consist of grasping the essence of a problem in a few minutes and immediately proceeding to study the various alternative solutions. These are attributes suited to handling military decisions and matters concerning public order which require, above all, rapidity of decision and a capacity to command.

The majority of Defense Minister Botero's actions or statements have been right. His position regarding the violation of human rights was well received, not only in Colombia, but abroad as well. His statement in the debate on the Galil rifles left him the winner in this direct conflict. And his speech on the day when he reviewed the troops was eloquent and had substance to it. Nevertheless, what did not go down well was his handling of the internal crisis in the police, which did not satisfy many people. His comment in Cali that the government "will not allow the country to become involved once again in a narcotics war" was very controversial, for such a situation does not depend on the attitude of the government but on that of the narcotics traffickers. However, generally, the balance of his early performance has been favorable.

It would be premature to call Botero the star of the cabinet, since the government has hardly begun its work, and at least half of President Samper's cabinet has made an excellent impression. Nevertheless, in terms of the view taken of him by public opinion, Botero stands out

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from the rest of the cabinet. Many things will happen in the future, and we cannot predict who will be the major figures of this administration. However, what we certainly can anticipate is that, from now on, politicians with major ambitions will begin by thinking of the Defense Ministry when they study their cabinet preferences.

Central Bank, Samper Team Differ on Economy

94CA0180A Santa Fe de Bogota SEMANA in Spanish 6 Sep 94 pp 56-58

[FBIS Translated Text] The scene in the Third Senate Commission appeared to have been taken from one of those Hollywood films. On the dais and in the dock, there were grim faces, frowning brows, and worried gestures. Behind the wooden barrier there were dozens of journalists, cameras, tape recorders, and curious people—many curious people—of the kind that only trail after crowds and confusion. In a word, it seemed as if Perry Mason had taken the floor.

Almost; however, it was not that legendary lawyer, but Perry...Guillermo, talking about the Colombian economy.

In fact, the new minister of finance, had been summoned by Senator Juan Camilo Restrepo to appear, together with other members of the board of directors of the Bank of the Republic, to respond to a questionnaire. This was an exercise that would throw further light on the thinking of the new government on the economic issues.

And the concern was justified. At the end of its first three weeks in office, the Samper administration was generating more questions than answers in this sector. As the daily newspaper EL TIEMPO put it in its editorial on Tuesday, 30 August: "The truth is that a certain confusion has developed in the minds of the economic agents about the path of economic policy."

The reasons for this situation are the measures adopted and the decisions made within both the CONPES [National Council for Economic and Social Policy] and the board of directors of the Bank of the Republic. They represent only the first step in an overall strategy that will be known when the Development Plan is submitted to the Congress in November, in accordance with the constitutional mandate. And it is precisely because these are the first steps that very few people have been able to determine what path is being pursued.

Thus confusion is the order of the day, and rumors abound.

The curious thing is that all of this is happening at a time when the majority of the indicators are positive. Production growth should easily exceed 5 percent at the end of the year, the highest rate in a decade. Inflation continues to decline, and the cumulative total of 16.8 percent at the end of August is lower by 0.24 points than the 1993 figure. International coffee and oil prices continue to be stable, and where coffee is concerned, the prices have allowed major adjustments in the domestic price. Under these circumstances, which would be envied by many countries, one must then ask what is happening.

The answer is simple—for the time being, not much. However, an interpretation of the facts that says the Colombian economy is moving ahead too fast is beginning to circulate. It is moving so fast that it is in danger of heating up again. And this could lead to a scenario that is hardly to be desired—more inflation, more revaluation, and serious stagnation in economic activity.

This diagnosis is generally shared by the government, the board of directors of the Bank of the Republic, and the leading analysts.

According to this thesis, the problem in Colombia is that throughout the economy—the government, businesses, and homes included—demand has been increasing too rapidly. The rate of increase in 1992 and 1993 was 10 percent per year. That is why, in a period when domestic production was picking up, it was also possible during these years to absorb the increase in imports of about 50 percent per year.

And although a rate of growth like that noted is not necessarily bad, the concern intensified when it was noted that this trend was continuing during the first half of this year. With regard to the public sector, Minister Perry has noted that the outgoing administration increased the treasury bill total by 72 percent between January and July. In the private sector, the increase in the credit portfolio of the financial system remained at a level of about 50 percent, with special emphasis on consumer credit. Also, the differential for the domestic and foreign interest rates has precipitated a substantial increase in private foreign indebtedness, which is now estimated at more than $4 billion.

These two circumstances taken together, according to the experts, explain why inflation has not declined more rapidly. And, what is more anguishing, they are the reason the rate of exchange is remaining practically stable. In fact, the price of the dollar has been constant for some time, seriously threatening the competitive capacity of the domestic exporters. According to the Bank of the Republic, the devaluation reported for the last 12 months was 1 percent, as of last 23 August, as compared to an inflation rate of more than 22 percent for the same period.

The disagreements arise when it comes to putting solutions into effect. The board of the Bank of the Republic says that controlling inflation is the method to be used. According to Oscar Marulanda, one of the board members, "The excessive expenditures, both public and private, constitute the primary factor in the current inflationary pressures in the Colombian economy." In order to contain them, the board adopted decisions in the middle of the month designed to limit the increase in

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domestic credit and to reduce foreign credit for short-term operations. The purpose is none other than to limit this kind of "debt prosperity" that has been observed. This has kept the interest rates, which had already begun to rise as of the beginning of the year, high.

The debate arises from the fact that such measures affect private expenditures in particular. The board hopes, then, that the government will follow this path and will tighten its belt in exemplary fashion, so as to reduce inflation and control revaluation in this way. At the same time, the board wants the administration to commit itself more firmly to the reduction of inflation as a policy goal.

The government, in turn, is testing out another path. In view of the electoral promises to ensure devaluation and to increase social expenditures, it has adopted measures that it believes will produce the hoped for results. On the one hand, the CONPES has made an adjustment to the foreign investment regime, limiting the participation of foreigners in certain activities, such as real estate. On the other hand, the recently established Social Solidarity Network requires new expenditures that will have the effect of reorganizing the budget for this year, without changing the fiscal goals inherited from the Gaviria administration.

Finally, it is hoped that the dollar flow can be contained without sacrificing the tax margin. If this is achieved, the government says it will be able to realize its short-term goals—slowing revaluation, maintaining fiscal discipline, recovering private savings, and establishing the foundations for endorsement of the so-called Social Pact, the keystone of the battle against inflation. And all of this while the country continues to grow and inflation declines.

These announcements are causing the skeptics to tear their hair. They say that the measures adopted will soon be circumvented and that dollars will, in the end, somehow find their way in, further attracted by the higher interest rates. Given this circumstance and with government expenditures increasing, they maintain, there is going to be more revaluation and more inflation.

What is going to happen? Only time will tell. What is really at stake is two different philosophical concepts as to how to intervene in the economy. While the board of the Bank of the Republic and the supporters of the Gaviria administration believe more in the market and the need to manage what are called the "macro" variables (credit, public expenditure, monetary supply), the members of Samper's economic team think that the market sometimes needs a "little push" supplied by measures of an administrative or benevolent sort. This is the setting in which the discussion of the Social Pact will begin in the month of November. While the government is emphasizing experiences like that in Mexico, which succeeded in reducing inflation, the critics of the idea use every kind of argument to maintain that there is no way to get the public sector, businessmen, and workers in Colombia to sit down and sign an agreement specifying the commitment of each party concerning the principal prices in effect in the economy. And if such a document were signed, they say, there would be nothing to guarantee adherence to it.

It is this difference of opinion, in the final analysis, that has led to the confusion and created a question mark as to the future. In Colombia, there has traditionally been only one dominant line of economic thinking that has guided the country throughout all of these years. Now there are two, one of them favoring more intervention than the other. Each of the two can be supported by strong arguments, and these are bringing discussion into the public realm. That is why, even if the government proposals are "consistent," as the FEDESARROLLO [Federation for Development] said last week, they will be seriously challenged—by the board of directors of the Bank of the Republic, to begin with—until such time as reality has demonstrated which is more powerful, market forces or the efforts to control them.

Government Wants 'Pact' With Private Sector

Perry on 'Social Pact'

94CA0179A Santa Fe de Bogota EL TIEMPO in Spanish 26 Aug 94 p 14A

[FBIS Translated Text] Despite skepticism about the possibility of signing a social pact, the government announced yesterday that it has already set a schedule for this process.

Finance Minister Guillermo Perry Rubio said that in October he will invite representatives of business and labor to discuss the anti-inflation policy, based on an agreement covering productivity, wages, and price controls.

For the first time since taking office, the Samper administration yesterday officially announced when talks will begin to seek a consensus with business and labor.

This announcement fueled concerns in some business groups, like ANDI [National Association of Industrialists], which said that to date they have not initiated any direct contacts with the government about such a social pact.

By October the Executive expects to have drafted the outlines of a social pact containing two basic ingredients: an agreement on prices based on the expected rate of inflation for 1995, and productivity increases.

On the first point Minister Perry said that the workers' wage readjustment must be based on the inflation goal for 1995, which will be worked out jointly with the board of directors of the Bank of the Republic in the next few months.

Although the Bank of the Republic has preliminary projections of a 17 percent inflation rate for next year,

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the government does not want to commit itself to any figure until it can estimate how the cost of living will end up in 1994.

Perry said Colombian workers's wages should have a readjustment in real terms. Not only would they take into account next year's projected rate of inflation, but also some points for rising productivity. Although this issue has barely begun to be studied in Colombia, the minister feels this factor needs to be introduced, as there is no other way to improve the workers' purchasing power and to increase Colombian business profits.

Lesser Sacrifices

Perry expressed optimism about the results which a major social pact between the government, business, and labor might produce, and said there is now increased awareness about where the nation wants to go, and a change in attitude among people involved in the process.

The short-term aim of this pact would be to help the process of reducing inflation, which is now 22.7 percent a year, to be implemented gradually without requiring great sacrifices in the growth of the Colombian economy.

"All sectors have to work together and make a commitment so that price adjustments will be in proportion with the expected rate of inflation. That helps to lower the cost of living without sacrificing economic growth," indicated the minister when discussing the success of the Mexican pact.

In the midterm, more emphasis will be placed on productivity. The Samper administration has met with Mexican officials to study the Mexican social pact, which is now in its third phase. Government officials have also established contact with business groups and workers' federations.

Despite the government's optimism, some sectors are still skeptical about such a pact. ANDI's president, Carlos Arturo Angel, said one concern is that conditions are not right for working out a social pact.

The president of Fenalco [National Federation of Businessmen], Sabas Pretelt de la Vega, said yesterday that his group is ready to begin talks, and he seemed more optimistic about the possibility of reaching consensus.

Labor federations have also expressed concern. They say the wage increase should be based on past inflation rates, that is, by taking into account the cost of living at the end of this year.

No Postponement, Says Marin Bernal

Minister of Development Rodrigo Marin Bernal yesterday confirmed that his office is unable to predict when the social pact might take effect.

In a letter to EL TIEMPO, the minister indicated that this does not mean the pact will be postponed until 1996.

The text of his message follows:

"During a press conference last Wednesday [17 August] at the Casa de Narino, in response a question about when the agreement on competitiveness, prices, and incomes might take effect, I said:

1. That the government, in association with foreign experts, is now examining the conditions and requirements for such a pact.

2. I acknowledged the difficulties involved in this process, and in particular, I alluded to the need to clearly identify the various participants so that they will be suitably representative and will have a clearly stated capacity to enter into agreements.

3. And finally, I added that I was unable to predict the date when the pact might take effect.

I made no statement about postponing the pact until 1996. The government will soon announce its views on the accord, and based on a strict evaluation of its possibilities, the date when talks, which are essential, will formally begin."

Industry Representatives Comment

94CA1079B Santa Fe de Bogota EL ESPECTADOR in Spanish 27 Aug 94 p B1

[Article by Yimy Melo Garcia]

[FBIS Translated Text] Cali. The private sector is about to sit down to talk with the government and workers on the bases for the *Agreement on Productivity, Prices, and Wages.*

The presidents of Analdex [National Association of Exporters], ANDI [National Association of Industrialists], and Fedemetal [Colombian Federation of Metal Industries] agreed that there can be no talk of the failure of the social pact because this process has barely begun, and it will take some time to learn its strengths and its weaknesses.

On this issue, the president of ANDI, Carlos Arturo Angel, said: "They have not even told us the details and developments expected of this pact, among other reasons, because this plan is just in its preparatory phase."

In response to criticisms by some sectors, Angel emphasized that this process should not be considered completed, as only time will say the last word.

The president of Fedemetal, Luis Gustavo Florez, expressed optimism about the results that may be achieved with the implementation of policies to develop the nation and raise the standard of living.

Based on Mexican Model

94CA0179C Santa Fe de Bogota EL ESPECTADOR in Spanish 29 Aug 94 p B1

[Article by Guillermo Valero Corzo]

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[FBIS Translated Text] Barranquilla. As the popular saying goes, "the bad news you know is better than good news you do not know." At least that is the opinion of the government economic team, which decided to study in detail the *Social Pact* implemented in Mexico before starting negotiations for a similar agreement in Colombia.

In other words, the Mexicans will advise on the implementation of the *Social Agreement on Productivity, Prices, and Wages* which President Samper will implement for the Colombians.

"We have obtained the advice of the Mexican team which designed the three phases of the pact in Mexico and we have been working with them in recent days," said Colombia's chief executive during the weekend in Barranquilla, where he was accompanied by several ministers.

He said he expects talks on the *Accord* to begin in November, on the eve of wage adjustments for the new year.

The chief executive said he was "sure that both business and labor would prefer a macroeconomic adjustment plan worked out together, rather than decisions made unilaterally by the government."

Fedesarrollo Comments

94CA0179D Santa Fe de Bogota EL ESPECTADOR in Spanish 31 Aug 94 p B1

[FBIS Translated Text] Fedesarrollo [Higher Education and Development Foundation] revealed its skepticism about the workability of the Accord on Productivity, Prices, and Wages, saying that "doubts are numerous about this."

The viability of this type of pact, which is intended to break the inertia of inflation, depends on adopting an austere fiscal policy, said Fedesarollo.

"However," it noted, "the new government's social priorities and its programs to protect the rural sector rely on public spending programs."

The Foundation rejected the plan for crop absorption agreements to be signed between agricultural producers and agribusiness processors, as that could become the first step of a return to protectionism.

On coffee, Fedesarrollo did not hesitate to propose that this sector be integrated in the trade liberalization policy, allowing the market to make decisions on production, purchasing, and exports.

Central Bank President Comments

94CA0179E Santa Fe de Bogota EL ESPECTADOR in Spanish 2 Sep 94 p 5B

[FBIS Translated Text] The social pact on productivity, prices, and wages, which the government will schedule for discussions in October, will be successful if it is based on realistic foundations and appropriate economic management. This statement was made yesterday by the director of the Bank of the Republic, Miguel Urrutia Montoya, who considers this a good mechanism for continuing to reduce inflation. This has been demonstrated in countries like Mexico which have employed similar processes.

One of the principal objectives is for agreements to be reached that can be implemented, and that macroeconomic management be in equilibrium. The Bank of the Republic's preliminary projections now call for economic growth of 5.0 percent, a 2.7 deficit in government finances, and an inflation goal of 19 percent at the end of 1994.

Although there do not seem to be major problems with two of these variables, there is skepticism about achieving the goal of 19 percent inflation.

Urrutia Montoya said this goal is being maintained and the Bank, in compliance with its constitutional mandate, will try to reach it. "I share Finance Minister Rudolf Hommes' view about inflation: it is like a bicycle race, where the goal stays in the same place, and the point is to get there first, second, or third."

Even though the cost of living was 0.97 percent in August and in the last 12 months it has been 22.36 percent, the monetary official is optimistic and is sure that the result will be better than in 1993, when the cost of living was 22.6 percent.

One sector which has behaved favorably is food, since most food prices have remained stable.

Different Views

The Bank official also spoke of the differences between the government and the Bank of the Republic on public spending and on setting the inflation goal, saying there are very few differences. He believes there is agreement on the diagnosis of the problems and on the methodology that should be followed.

"Different points of view are always being discussed. That may be a strength, as the Bank's board is composed of members of different political parties."

According to Urrutia, there is a positive environment for dialogue, which will help to strengthen coordination between the government and the Bank of the Republic.

Despite that good environment, in recent days some pointed questions have been raised by one of the codirectors of the Bank, Roberto Junguito, who criticized the fact that the government did not make a definite commitment on the inflation goal for 1995.

Another point he challenged was the high level of public spending. According to Junguito, if a real effort is not made on this front, if they try to promote a devaluation process, it will be a very complicated matter to reduce

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the rate of inflation. The board and Minister of Finance Guillermo Perry are holding talks so that budget amendments can be submitted to Congress that do not alter economic management.

Asobancaria Expresses Concern

94CA0179F Santa Fe de Bogota EL ESPECTADOR in Spanish 6 Sep 94 p 3B

[Article by Gilda Sarmiento]

[FBIS Translated Text] To reach an agreement, power and authority are needed, and Colombian society is split, with political parties, business groups, and unions weak or nonexistent.

If no serious agreements are reached, the Great Social Pact on Productivity, Prices, and Wages would be a farce.

The worst thing is that a failure would cause the economy to enter a very serious recession.

That serious warning was issued by Cesar Gonzalez Munoz, president of Asobancaria [Bankers Association].

In his opinion, Colombia has grown perversely accustomed to inflation that oscillates between 20 and 30 percent, and a serious effort to get rid of that habit and to eliminate the inertial components of the cost of living is worthwhile.

Asobancaria is not opposed to the Great Social Pact; on the contrary, it hopes that the nation will reach consensus.

However, Gonzalez Munoz believes that we must be careful about the terms, the agents, and the actors involved in this process.

In addition, we must not forget that the board of the Bank of the Republic has autonomy in issuing monetary, exchange, and credit measures, which could lead to higher inflation.

For Asobancaria, one challenge facing the government is to reach agreement in such a way that the objectives will be compatible with the interests which the Constitution grants to the Bank board.

The Executive will have to make its own sacrifice to fiscal austerity, for if public spending is not slowed down, it may rekindle inflation.

Before reaching a social pact, Cesar Gonzalez believes that a great effort should be made to improve the representative nature of political, business, and social sectors.

He noted that the Mexican experience took place in the context of a large party, the PRI [Institutional Revolutionary Party], which was so powerful that it almost represented the state.

In Colombia, in addition to the need for a pact compatible with the responsibility of the Bank's board, there is also the problem of a fractured society with weak or nonexistent political parties, and a government that is weak and without opposition. In addition, the unions are scattered and very weak, and the business associations are also weak.

Colombia's business groups are not strong enough. Business leaders would agree that it is not easy to claim representativity of the entire business community, and the CGN [National Business Associations Council] has internal problems. The NGO's [Non-Governmental Organizations] are also scattered, said Asobancaria's president.

So who is there to represent us as citizens in a social pact?

Experience in Other Countries

Social pacts to correct macroeconomic imbalances have been a tool used successfully in some cases, while in others, in the long run they have generated much more dangerous cases of hyperinflation.

According to an Asobancaria study, while Mexico's Solidarity Pact in 1987 and 1988 and the Israeli program in 1985 are the two classic cases of success in reducing inflation, the 1986 Cruzado Plan in Brazil and the 1985 Austral Plan in Argentina, although they did turn around inflationary expectations, ended up as resounding failures.

Unlike Colombia where, even with inertial factors, the cost of living still remains moderate, the four nations listed above had reached growing and persistent levels of inflation and even of hyperinflation.

"For this reason, economic agents placed all their faith in the government program, as they did not have much to lose and probably did have something to gain."

Moreover, in Mexico and Israel drastic and permanent fiscal adjustment policies were maintained, since even though an incomes policy may reduce inflation almost immediately, it does not guarantee the sustainability of the stabilization process, which Brazil and Argentina learned to their high cost.

The truly sad case was the failure of the Cruzado Plan in Brazil, where the populist government of then President Jose Sarney combined price controls with an expansionary fiscal policy—in order to boost the purchasing power of wages—which led to an explosion in inflation that was much worse than what they were initially trying to combat.

Another factor determining the success or failure of social pacts was how the exchange rate was handled. Israel and Argentina decided on a considerable initial devaluation in order to stimulate the external front of the economy.

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"The Argentine case showed that halting depreciation of the exchange rate may be an effective anti-inflationary measure, but only in the absence of other inflationary pressures."

Solution to Poverty

The fundamental position of Cesar Gonzalez is that there will be no solution to poverty if the economy does not double in size in the coming decade.

For this we need: to avoid revaluation, bring inflation down to under 10 percent, triple exports, and implement an austere fiscal policy.

"If not, we will continue to be a population living in great poverty."

Ecuador

Congress President Outlines Current Projects

94SM0472B Quito EL COMERCIO in Spanish 25 Aug 94 p A-7

[Interview with Congress President Heinz Moeller in Quito; date not given]

[FBIS Translated Text] Satisfied with the proper conduct of the Congress, over which he has presided since 10 August, Heinz Moeller maintains that the first parliamentary effort will be to seek the approval of social laws "with which the government will not be able to interfere."

During a visit paid to this daily newspaper, Moeller emphasized that one law pertaining to paid maternity leave has been passed, and others proposed by the Social Party, the Popular Democracy Party (DP), and other groups are being considered.

[EL COMERCIO] And so, Mr. President of the Congress, the deputies are behaving like little angels, thus far?

[Moeller] Thus far they have been conducting themselves very properly.

[EL COMERCIO] How so?

[Moeller] They are aware that, even if only in formal terms, their conduct contributes to improving the image of the Congress.

[EL COMERCIO] Has an agreement been reached?

[Moeller] It is a matter of a spontaneous attitude on the part of all the blocs. It might have been thought that the minority could cause some upsets, but it has not done so.

[EL COMERCIO] Will this peace endure?

[Moeller] Yes. It must. The country requires it.

[EL COMERCIO] Is the Congress passing laws?

[Moeller] We are already legislating. As it began its labors, the Congress has been in session every working day, including Friday and Monday, for the first time in 10 years. And, among other things, we have approved five international agreements that had been pending for two years.

[EL COMERCIO] What about draft laws?

[Moeller] We have given about eight draft laws a reading, including the proposed state bank law, the amendment to the state monetary and banking system law, and the law protecting nursing mothers.

[EL COMERCIO] Has any law been passed?

[Moeller] The day before yesterday, we insisted on the second debate on the draft law providing paid maternity leave, and it will now go to the Government Registry. This is the first social law passed by the Congress, and it cannot be vetoed.

[EL COMERCIO] How so?

[Moeller] Because it was partially vetoed, and according to Article 70 of the Constitution, if the Congress, following two debates and with a favorable vote by two-thirds of the members passes the law, it is promulgated directly and becomes the law of the Republic.

[EL COMERCIO] How is paid maternity leave being financed?

[Moeller] This was a proposal made during the Nebot campaign. The financing will come from a minimal increase in optional consumption items. In other words, this is relatively bad news for the smokers and drinkers.

[EL COMERCIO] There have been protests from the sectors that will pay the tax.

[Moeller] This is a law that won approval with broad support. After the first debate, 63 deputies voted in favor of it, and after the second, 69 deputies did so.

[EL COMERCIO] It has been reported that there are other draft laws....

[Moeller] No. To date, 31 proposals have been put forth, the majority of them pertaining to the social sector. Thirteen were proposed by the Social Christian bloc, and are known to the citizenry.

[EL COMERCIO] What about the other parties?

[Moeller] The Popular Democracy Party has put forth a draft education law. It is important and lengthy and deals with the special financing of the municipalities. This concept also originated with the Popular Democracy Party, which has evidenced an ideological move in the direction of the Social Christian concept of decentralizing income—whether or not the DP likes this idea. This proposal calls for allocating 50 percent of the VAT

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[value added tax] for the financing of the country's municipalities. At present, everything goes into the central treasury.

Moeller revealed the outlines of some of the Social Christian laws being considered by the Congress.

—A law establishing a solidarity fund "reflecting our attitude toward modernization." The income obtained from the privatizations, disinvestments, and sales of shares would go into this fund. "It is a question of a social Conam," he said.

—A law on apprenticeships in the business sector, with incentives to encourage the private sector to establish tax-deductible apprenticeship positions for training purposes.

—A law on patient rights and protection, providing that in any case of emergency due to accident or some other occurrence, an individual must be accepted and cared for at any health center, with payment being received subsequently.

There are 13 drafts in all, "and the government will not be able to interfere with them, since social projects are needed," the president of the Congress said during his visit to this daily newspaper.

We asked him if once again, the majority party will be excluded from the decisionmaking process in Congress by the popular vote.

Heinz Moeller said no, and he described certain circumstances surrounding the agreement between the Social Christian and Roldosist Parties.

He said that initially, lengthy discussions were held with the center-leftist parties.

Based on what he said, in fact, the preliminary talks involved the Social Christians, on the one hand, and the deputies of the Democratic Left and Popular Democracy Parties, on the other.

But these parties also insisted that the bloc include the Popular Democratic Movement, and this, in turn, brought in the socialist deputy (Heinz Moeller) and the APRE [Ecuadorian Revolutionary Popular Action].

The effort was effective for as long as schemes and projects were being discussed with a view to congressional operations.

But then these deputies said they could not vote for a Social Christian, and they put forward three options.

The Social Christian bloc refused to consider the three names proposed (Carlos and Andres Vallejo and Juan Jose Castello).

Moeller said that "they wanted us to vote for them, and they said they could not vote for us."

The disagreement about the presidential candidate brought the talks to an end. Apparently, other political negotiations were then begun between the Roldosist bloc and the center-leftists, but they failed as well.

It was under these circumstances that Moeller said (as a warning, he commented) that something would have to be done to form a majority.

Finally, an agreement was reached with the Roldosist bloc, he said. It was implemented, giving the presidency to Moeller and the vice presidency to Deputy Marco Proano Maya.

"We did not promise things we could not do, or that had not been suggested to us," Moeller said, referring to a possible amnesty for Deputy Elsa Bucaram.

Moeller said that the Social Christian leaders Leon Febres Cordero and Jaime Nebot were willing to seek the presidency of the Congress, because it was necessary to promote the proposals of the Social Christian Party "in order to meet the demands of the popular will."

Proposed Telecommunications Law

Heinz Moeller said that a new draft telecommunications law, which will provide a more viable option, is being developed.

He said that the draft, which will come from the Social Christian bloc, includes measures that have already been tested in Peru, such as the sale of 35 percent of the shares, the establishment of a percentage for the labor sector, and setting a limit for telephone rates.

Moeller noted that it was not possible to win approval for the government proposal calling for the transfer of the shares to the Conam.

With regard to the problem that developed within the Conam, Moeller said that the government made a mistake in allowing the departure of Marcel Laniado, who enjoyed the confidence of many people, in order to retain a minister (Cesar Robalino, of finance) "whose days are numbered."

There will certainly be two supervisory actions within the normal period, Moeller said, without stating what the other will be.

Venezuela

Minister Criticizes U.S. Grain Exporters

PA0710030294 Paris AFP in Spanish 1512 GMT 6 Oct 94

[FBIS Translated Text] Caracas, 5 Oct (AFP)—Venezuelan Agriculture and Livestock Minister Ciro Anez has termed as unacceptable the restrictive measures announced by certain U.S. grain and cereal exporters who complain about delays in payment by Venezuelan importers, it was reported in Caracas today.

Anez has said that contacts have already been made with alternate grain and cereal supply sources and that several U.S. agencies have asked the Venezuelan Government

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not to view the exporters' decision as a formal statement but, rather, as a situation derived from the restrictions caused by the current exchange controls.

Although Anez has admitted there have been delays in payments, he has said "there is no reason why, after so many years of negotiations with Venezuela, a delay of 15 or 30 days should have prompted that decision."

The Venezuelan Government suspended the sale of foreign exchange by the end of June of this year and implemented a single exchange control which, according to industrial sources, has frozen requests for more than $1.5 billion.

Although the Exchange Administration Board has stated requests for approximately $500 million have already been approved, local importers claim they have been unable to obtain foreign exchange.

The decree on exchange control has had more than 15 modifications in an attempt to adjust it to the realities of the market. According to sources linked to the industrial sector, procedures are very complicated and slow, and, as a result, many importers have lost their lines of credit abroad.

Bank Depositors Protest, Take Over Fogade

PA0710040994 Caracas EL UNIVERSAL in Spanish 6 Oct 94 p 1-20

[Report by Giuliana Chiappe]

[FBIS Translated Excerpt] Disappointment and anger have prompted the action of more than 100 depositors of the Metropolitan Group Bank. Without weapons and armed only with their loud voices and the power of being a group, they overcame the authority of four truckloads of police and the new pledges made by those responsible for bank intervention processes.

Because their deposits were not returned yesterday as pledged after four months of waiting, the depositors of the Metropolitan Group-Confinanzas marched to the corner of San Jacinto Street and protested in front of the office of the Deposit Guarantee and Banking Protection Fund [Fogade] at 0930, one hour after the bank branches were scheduled to open.

A thousand people felt the desperation of the depositors who, at 1030, shut the building's two iron grill doors leading to Fogade, the Banking Superintendency, and the public parking lot. The approximately 1,000 hostages included 200 clients of the Industrial Bank of Venezuela, which operates in Fogade's headquarters. Standing in front of the black iron grill door, they faced the fact that they were being held away from the rest of the offices, telephones, and the dining room for Fogade's employees, because they were not allowed to go up. Their captivity lasted four hours and 10 minutes, from 1030 to 1440. Fogade and Banking Superintendency officials were let out at 1800. [passage omitted]

With loudspeaker in hand, Fogade President Noris Aguirre and acting bank superintendent Emilio Negron tried to soothe the depositors at the grill doors by announcing the restructuring of the Metropolitan's audit board and pledging to make prompt reimbursements.

Aguirre started to say: We have made certain decisions to meet the reimbursements of the Metropolitano-Colfinanzas Group depositors. The offices will open this afternoon (yesterday) in the continuation of their opening process.

But the crowd cut her short: That's a lie! They have not opened the office and have not made any reimbursements. We went there already. We will not leave until we are certain the checks are being handed out, the depositors warned.

Negron came to Aguirre's rescue and, taking the loudspeaker, said: The checks are ready and are being distributed by the Pan-American Service. They must have arrived at the office while you people were here protesting. The government is interested in returning your money and for this reason has already allocated the resources. [passage omitted]

The Metropolitan Bank received in three days 15.989 billion bolivares, to be used for reimbursements to 36,536 depositors, according to figures presented by Fogade.

In an official communique, Aguirre explained the institution which she heads "has fulfilled its functions as guarantor of the depositors' money." She also said she had delivered the checks requested by the Metropolitano-Confinanzas-Urban Credit Group. The total amount was 15,989,395,504 bolivares, according to the following timetable: on 3 October, 23,760 checks; on 4 October, 7,706 checks; on 5 October, 5,070 checks.

It was also explained that the Metropolitan Bank has a tape, sent in by the Provincial Bank, with information on clients. On receiving the tape, the Metropolitan Bank creates two additional data bases with the assigned check numbers and sends one to Improsa, the check-manufacturing enterprise, and the other to Fogade.

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